

# LABOR FACT BOOK

7

PREPARED BY

*Labor Research Association*

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## LABOR FACT BOOK 7

This standard handbook is a mine of information for trade unionists, students, teachers and journalists, as well as for the general reader. It is an arsenal of current facts on the labor movement and on the most important phases of American economic life as a whole.

The present volume presents a wealth of material on our war economy, including figures on national income, sale of war bonds, profits, dividend payments, business accumulations, and price control. Of particular interest today is the special section on postwar goals and problems—reconversion, full employment, cartels, foreign trade, and Bretton Woods.

The volume pays special attention to the constructive plans of the trade union movement. It takes up labor and the elections, the PAC, labor's war production job, and labor and women, the Negroes and veterans.

Salient facts about wartime collective bargaining are discussed in the chapter on labor relations, which also treats labor-management committees, strikes and lock-outs, state anti-labor laws, and the National War Labor Board.

The book deals comprehensively with wartime social conditions. It covers family budgets, incentive pay plans, hours of work,

(Continued on back flap)

(Continued from front flap)

public health, social security, housing, white collar workers, and child labor. The problems of the Negro receive special attention in a full discussion of Negroes in industry, the FEPC, Negroes in the armed forces, and the poll-tax laws.

A chapter on farmers and farm programs presents material on farm income, farm workers, organized labor and the farmers, and international food organizations. Developments in Canada and Latin America, as well as the World Trade Union Conference, are included in a chapter on labor in other countries.

This is only a sampling of the hundreds of subjects succinctly and authoritatively covered in this indispensable biennial volume, seventh in the series which the Labor Research Association has been issuing since 1931. The whole series presents the outstanding events of these years and constitutes a record of the progress of the trade union movement, labor and social conditions, civil rights, and farm conditions. Together or separately, these books represent a quick-reference source of vital information on all phases of labor and its relationships for the past fifteen years.

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## 7

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LABOR RESEARCH ASSOCIATION



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## FOREWORD

*Labor Fact Book 7*, like the other biennial volumes in this series, contains entirely new material dealing mainly with the two years preceding the date of its compilation. These years saw the forces of world democracy move forward toward the final victory over fascism, with the American nation led by one of history's greatest men, Franklin D. Roosevelt. His death came as this book was being prepared for press.

Some of the chapters are similar in scope and contents to those contained in earlier Labor Fact Books. Others deal with new topics which have acquired importance as a result of the war.

We call the reader's attention especially to the section of the fourth chapter which deals with postwar planning by the labor movement. This section should of course be read in connection with the entire second chapter, in which are discussed the main postwar goals and problems of the American people as they affect both domestic and international affairs.

Although we have not had room in a volume of this size to cover the conditions and developments in all of the United Nations, we have included, as in the last book, a summary on Canadian labor, a similar account of the main labor federation in Latin America. This is followed by a section on the London world trade union conference which founded a new international labor organization.

Because of the full indexing, cross references have for the most part been eliminated from the text. Space has also been saved, as in previous Fact Books, by citing few sources. But we are always ready to furnish the reader, on request, the source for any statement. Further, to save space, the names of unions have in many places been abbreviated.

Occasionally we have referred to background material in previous volumes of the series. Readers should note that the title of *Labor Fact Book 6*, preceding the present volume, was *Labor and the War*, and some of the references are given to that title.

The compilation of this handbook is a co-operative venture. We are deeply indebted to a large number of volunteer workers and specialists in various fields; to the heads of many government bureaus who have

## FOREWORD

answered our questions and sent us documents and other material; to the busy union officials who have given us important information not otherwise obtainable; and to the heads of educational and research departments of several organizations who have also been very helpful.

Many of the topics included in this book, especially those dealing with current economic developments, with postwar problems and with agriculture, are discussed from month to month in Labor Research Association's *Economic Notes*.

The Association, which was organized in 1927, also conducts a general research service for trade unions, including preparation of material for labor organizations to use in their collective bargaining and other activities.

Labor Research Association

Robert W. Dunn, Secretary

80 East Eleventh Street

New York 3, New York

May, 1945.

## I. THE WAR ECONOMY

The American nation, as President Roosevelt told Congress in his Budget Message, January 9, 1945, has almost doubled its total output of goods and services under the impact of the war program. "Slightly less than one-half of this total output is purchased by the Federal government." The remainder "has been sufficient to provide most of us with better living standards than prevailed before the war."

The prodigious accomplishments of the American people on the home front in mines, mills and factories were reflected also in the report of Director of War Mobilization and Reconversion James F. Byrnes, January 1, 1945. He declared this country had "reached a rate of munitions production in excess of \$64 billion per year while maintaining a standard of living higher than that which we enjoyed in 1929. We have attained this rate of war production without any over-all reduction in the consumer supplies available to the public. To accomplish this, we have invested more than \$20 billion in new or expanded industrial plants."

Director Byrnes showed how war production had climbed month by month from virtually nothing, when Germany invaded Poland in 1939, to a rate of approximately \$5 billion a month. "No nation can touch this rate of production. It is almost equal to the total war production of the rest of the world."

### MUNITIONS OUTPUT RISES

Out of the total war expenditures of \$91 billion for all purposes in 1944, over \$64 billion, as indicated, were for munitions. This marked an increase over 1943 when munitions output was \$58 billion and total war expenditures amounted to \$85.1 billion. Total war expenditures from July 1, 1940, to end of 1944 amounted to about \$245 billion.

Both 1943 and 1944 reflected the tremendous wartime rise in production of munitions. This appears in the War Production Board index of munitions output which climbed from a monthly average of only 15 in 1941 to 56 in 1942, to 100 in 1943 and to 109 in 1944. Although there was a rise of 9% in 1944 over 1943 the index had actually reached

a peak of 117 in December, 1943, and ran a few points lower than this in most months of 1944.

Of the total expenditures for munitions in 1944, aircraft took more than a fourth while shipbuilding was next with more than a fifth.

The aircraft workers of the country turned out the record number of 96,356 planes of all types in 1944. In terms of airframe weight this output reached the unprecedented total of nearly a billion pounds, an increase of 47% over that for 1943 and more than three times the weight of the aircraft output of 1942.

The shipbuilding workers also did a big job. The average monthly index covering all ships produced for war, on a value-in-place basis, rose from 15 in 1941 to 56 in 1942, to 100 in 1943 and to 105 in 1944.

From January, 1942, through 1944, U. S. shipyards turned out approximately 4,500 new cargo ships—transports, tankers, other merchant ships—totaling about 43.7 billion deadweight tons.

In 1944 alone the workers in the merchant shipyards of the country built 1,677 ships with an aggregate of over 16.3 million deadweight tons, compared to about 18.6 million delivered the previous year.

Ammunition reached a new high in 1944. The total of over \$6.5 billion, manufactured by our ammunition workers, was more than double the 1942 output. But bombs and large caliber ammunition more than tripled 1942 production.

## INDUSTRIAL PRODUCTION

The over-all picture of our war economy is best shown in the Federal Reserve Board index of industrial production. About two-thirds of our industrial output has been for war purposes. Industrial production as a whole reached its highest wartime level in 1943.

This monthly index had actually hit its peak in October-November, 1943, at 247 (1935-1939 = 100). During 1944 it declined about 6% below this peak and by December had fallen to 232. The annual index for 1944 was 235, a decline of nearly 2% from the 239 average for 1943.

Output of both durable and nondurable manufactures in 1944 fell somewhat below the averages for 1943. Durable manufactures index dropped from an average of 360 in 1943 to 353 in 1944. Production of nondurable goods had shown a much smaller advance during the war since most munitions are classified as durable goods. The index for nondurables fell from an average of 176 in 1943 to 171 in 1944. At the

same time minerals production rose from 132 in 1943 to 140 in 1944, a gain of nearly 7%.

So far as the separate industries are concerned, most of the durable manufactured products showed some decline in 1944. But for steel and nonferrous metal products, there was virtually no change.

Among the nondurable manufactures showing gains in 1944 were manufactured food products, alcoholic beverages, petroleum and coal products. At the same time there were declines in chemicals, in printing and publishing, in textiles and products and tobacco products. The decline in textiles, as in some other industries, was the result of manpower shortages, due largely to the fact that textile wages are below the high weekly earnings obtainable in the munitions industries.

The year 1944 showed virtually no change in the output of leather and paper products, while the largest gains were registered in petroleum and coal products, required in increasing quantities as the war approached its climax.

Among the minerals the output of fuel, coal and petroleum rose considerably but the metals, such as copper, zinc, lead and gold, showed a drop.

On the whole the trend in total production, as well as in specific industries during 1944, was determined largely by war developments. There was no appreciable increase in civilian supplies, and the output of war supplies shifted from one industry to another in line with military and naval requirements.

The tremendous urgency of production, which had been very clear in 1942 and 1943, was not as obvious in 1944 partly because of optimistic guesses on the end of the war in Europe. Certain items, however, were in critical demand and, for a number of these, schedules were not completed in 1944. During the last few months of the year requirements for certain types of army equipment were revised, and for these some months of sharply rising trends were expected.

**New Construction:** Total new construction of all kinds amounted to only around \$3.9 billion in 1944 compared with \$7.7 billion in 1943, a decline of 50%.

The War Production Board index of government-financed war construction rose from a monthly average of 58 in 1941 to 151 in 1942, but with the biggest part of the new war construction program completed, it fell to 100 in 1943 and to only 35 in 1944. The volume of new construction in 1944 was actually the lowest for any year since 1934.

## CONSUMER INCOME AND EXPENDITURES

Income payments to individuals rose to a new peak of about \$156.8 billion in 1944 compared with \$143.1 billion in 1943. (For a discussion of national income and its postwar potential see Ch. II.)

After all deductions for federal, state and local personal taxes, the amount of "disposable income" left to individuals in the country was estimated at about \$137.5 billion in 1944 compared with \$124.6 billion the previous year, and \$67.6 billion in the prewar year 1939.

With this big disposable income available, the people as consumers spent for goods and services during 1944 the record sum of \$97.6 billion, compared with about \$91 billion the previous year, a rise of 7%. It was a tremendous increase, however, above the \$61.7 billion spent for goods and services in the prewar year 1939.

As wartime restrictions made unavailable certain durable consumer goods, like refrigerators and cars, expenditures for consumer durable goods as a whole showed a further decline to \$6.7 billion in 1944, compared with \$6.6 billion in 1943 and \$7.6 billion in 1937, a relatively prosperous prewar year.

But expenditures for nondurable goods continued to rise, reaching a total of \$60 billion in 1944 compared with \$55.1 billion the year before and \$33.2 billion in 1937. Largest increase was in the outlay for food. High wartime payrolls permitted the workers to eat more, and prices of food climbed to higher levels.

Expenditures for services rose only moderately, from \$29.3 billion in 1943 to \$30.9 billion in 1944, largely due to the nonavailability of many services as the war developed.

Increased prices, of course, accounted for part of the increased consumer expenditures both in 1943 and 1944. But on the whole the quantity of goods and services supplied in 1944 was about as large as in 1943 and considerably above the levels of prewar years. All this demonstrated the high productivity of the American economy under the special stimulus of government expenditures for a global war.

## SALE OF WAR BONDS

One of the greatest accomplishments of the American people during the war has been the purchase of war bonds. Pres. Henry Bruere of the Bowery Savings Bank, New York City, summarized this accomplishment when he wrote in the *New York Herald Tribune*, October

22, 1944: "On a purely voluntary basis, with no more suasion than is customarily used in charity drives, 81,000,000 persons from May, 1941, to September, 1944, have bought and kept \$33,687,000,000, current redemption value, of war bonds." These included series E, F and G bonds.

This is an amount of money only \$4 billion less than the total life insurance company reserves of the United States.

Of the bonds sold up to that time \$26.8 billion were E bonds, the issue for those who do not expect to live on income from capital.

Less than 13% of these bonds had been redeemed up to that date. Studies made by the Treasury indicated that about 50% of these redemptions were necessitated by accident, illness or some other hardship.

About 27.6 million persons participated in payroll savings plans for U.S. Savings Bonds in the fiscal year ending June 30, 1944; total deductions amounting to about \$5.5 billion. An average of 9.6% of the participant's pay was deducted. This average had risen to 10.6% by June, 1944.

Participants in these plans were in private and government employment as well as in the armed forces. (For labor's bond-buying record see Ch. IV.) The plans were calculated to distribute the war debt as widely as possible through all ranks of the population. The people were also soundly advised to hold on to their war bonds after the war, and thus aid the Treasury in balancing the public debt and in holding down the tax burden.

## WARTIME PROFITS

The most inclusive figures on profits of all corporations in the United States are to be found in the reports of the U. S. Treasury *Statistics of Income* and in the *Survey of Current Business*, issued by the U. S. Department of Commerce.

The table below, based on these sources, indicates that the profits of all U.S. corporations taken as a whole after payment of taxes amounted to over 6% of the total net worth of these corporations in the year 1944. This was more than double the percentage in 1936 and also double the amount for the last full pre-war year 1939.

These figures show also that during each of the three years, 1941, 1942 and 1943, the rate of return on net worth was higher than in any previous year shown, including the pre-crisis boom year 1929. Preliminary unofficial estimates for 1944 have been included.

**ESTIMATED PROFITS IN RELATION TO NET WORTH OF ALL  
CORPORATIONS IN THE UNITED STATES**  
(in millions of dollars)

Year	Net worth end of year <sup>a</sup>	Profits be- fore taxes	% of net worth	Profits af- ter taxes	% of net worth
1929	160,369	8,387	5.2	7,194	4.5
1930	161,282	2,441	1.5	1,723	1.1
1934	141,585	1,135	0.8	549	0.4
1935	138,931	2,403	1.7	1,668	1.2
1936	133,469	4,958	3.7	3,767	2.8
1937	141,634	5,219	3.7	3,943	2.8
1938	137,435	2,518	1.8	1,658	1.2
1939	136,863	5,460	4.0	4,228	3.1
1940	138,386	8,388	6.1	5,844	4.2
1941	142,000 <sup>b</sup>	15,721	11.1	8,519	6.0
1942	146,000 <sup>b</sup>	19,869	13.6	8,700	5.9
1943	150,000 <sup>b</sup>	23,671	15.8	9,800	6.5
1944	154,000 <sup>b</sup>	25,000	16.2	9,900	6.4

<sup>a</sup> These net worth figures are not exactly comparable in every year due to changes in methods of reporting, but they are sufficiently accurate to show the trend. <sup>b</sup> For these years net worth and percentages are estimated by Labor Research Association.

The high level of profits was reached and maintained during the war years in spite of a heavy increase in federal taxes. These (income and excess profits) are estimated at about \$15 billion in 1944, a more than two-fold increase as compared with 1939. Even so, the net after taxes amounted to about \$10 billion in 1944 compared with only a little over \$4 billion in 1939.

Various attempts have been made by the National Association of Manufacturers and other agencies to show that wages during the war went up more than profits. Actually, however, if we take average income before taxes of employees in private industry we find it rose only 58% between 1939 and 1943. In the same period corporate profits before taxes rose 333%.

**War Industry Profits:** Although almost all corporations benefited by the increase in business during the war, the industries most directly connected with the war were the richest beneficiaries.

In its Third Annual Report (No. 10, Part 16) the Special Senate Committee Investigating the National Defense Program declared:

The Planning Division of the War Production Board has estimated that the net profits, after renegotiation and taxes, of the war industries (metals, chemicals, petroleum and rubber) for the 4 war years will be about \$16,000,000,000. Since the proportion of civilian business in these industries has been very small, almost all of these profits may be regarded as coming from Government business. Such profits are about twice the pre-war average for such industries.

In another section of its report the committee showed the relative profits during the prewar years and during the war years through 1942 of the 100 American corporations which had the largest volume of war business. Taking the profits of these companies, even after all deductions for the relatively high wartime taxes, it found that "of these 100 largest war contractors, 3 companies had more than 10 times their pre-war average profits in the year 1942; 19 additional companies had more than 3 times their pre-war average; 24 companies between 1 and 3 times their 1936-39 average; and 12 companies which showed average operating deficits during their prewar base periods, each showed a profit after taxes of between \$1,000,000 and \$18,000,000."

Profit increases in war industries ran well ahead of those reported for industry as a whole, according to reports of the Securities & Exchange Commission. The National City Bank in its regular report, covering 1,321 manufacturing companies, showed an average rise in net profits of 45% in 1943 over 1942. But the SEC reported that 16 groups of industries, covering 267 companies making war goods, increased their 1943 net profits 10% over 1942.

**Other Profits Excessive:** Similar figures were made public in a report on the Revenue Bill of 1943 (78th Cong., 1st Session, Report 627, Pt. 2) by a minority of the U. S. Senate Committee on Finance. It stated that renegotiation of war contracts up to early 1944 had resulted in saving the government about \$5.3 billion. Reviewing some of the excessive profits of wartime it declared:

In 1942, the profits (after taxes) of 19 companies making perishable tools were 11 times their prewar (1936-39) average. The 1942 profits for 25 woolen textile companies had increased nine-fold. Profits of 10 lumber companies for the same period quadrupled. Fifty-three cotton textile companies realized 8 times as much profit (after taxes) in 1942 as in the average prewar (1936-39) years. These figures represent profits before renegotiation. They will, of course, be substantially reduced through renegotiation proceedings completed or in progress.

These figures and many others like them were cited to show that wartime profits were excessive even on the sale of standard commercial articles on which the Office of Price Administration had set ceiling prices.

## DIVIDEND PAYMENTS

Dividend payments to stockholders have run fairly evenly during the war years but have by no means kept pace with the sharp advances in net profits of corporations.

During the war corporations have paid out as dividends a much smaller proportion of their profits than before the war. Then dividend payments were often two-thirds of profits; during the war they have been less than half.

Figures for total corporate dividends are shown in the following table in relation to total net profits and the savings (undistributed profits) achieved after these payments were made. The war and prewar years are compared with the pre-crisis prosperity year 1929:

Year	<i>Net income of incorporated business</i> (\$ millions)	<i>Corporate dividends</i> (\$ millions)	<i>Corporate savings</i> (\$ millions)
1929	7,194	5,944	1,250
1937	3,943	4,745	802 <sup>a</sup>
1938	1,658	3,172	1,514 <sup>a</sup>
1939	4,228	3,806	422
1940	5,844	4,046	1,798
1941	8,519	4,511	4,008
1942	8,700	4,300	4,400
1943	9,800	4,300	5,500
1944 <sup>p</sup>	9,900	4,500	5,400

*Source:* U. S. Dept. of Commerce. <sup>a</sup> Deficit. <sup>p</sup> Preliminary estimate.

Ever since 1941 corporate savings, after dividend payments, have run higher than \$4 billion a year and in 1944 they were about \$5.4 billion. And this does not include special reserves set aside before reckoning of net income, which have amounted to more than \$700 million a year during the war period.

Conservative dividend policies have been favored by many people in

the upper income groups as they expect lower personal taxes after the war and would prefer large distributions of dividends then. They have also preferred to receive stock dividends, payments in the form of stock (not included in figures for corporate dividends), as these are exempt from personal income taxes.

## BUSINESS RESERVES AND ACCUMULATIONS

In addition to the large amounts paid out in dividends to stockholders, the corporations of America out of their war profits have added substantially to the funds they will use to finance reconversion and to carry them over any periods of postwar slump that may arise.

Economists of the U. S. Department of Commerce estimated early in 1944 that American business as a whole would have from \$10 billion to \$20 billion left over for plant and other expansion after the war, even after it has financed its own transition to a peacetime production equal at least to the pre-war level of 1941.

In an article in the *Survey of Current Business* (February, 1944) the department's economists show how during 1942 and 1943 business enterprises (both corporate and non-corporate) had increased their holdings of cash and government bonds by almost \$35 billion.

In addition to this estimated \$35 billion there would be some \$5 billion to \$6 billion in current depreciation, depletion and other business reserves set up in the first year after the war—the year of transition. There would also be about \$2 billion to \$3 billion due the companies from the government on output delivered before January 1, 1944. Finally, there would be some \$7 billion to \$11 billion in claims arising out of uncompleted contracts.

Thus, by adding the funds which would become available during the transition year to the wartime accumulations up to the end of 1943, "and assuming reasonably prompt payment of termination claims, business enterprises would have between \$47 billion and \$58 billion dollars of cash and government bonds, in addition to their 1941 year-end holdings."

After deducting various charges that would be made against these large accumulations—for example, tax deductions—the government economists arrived at the above-indicated estimate of \$10 billion to \$20 billion left over for postwar plant and other expansion. Any survey which included the 1944 accumulations, not yet estimated, would doubtless increase these figures by several billion dollars.

## COMPENSATION OF CORPORATION EXECUTIVES

Large salaries and bonuses and costly pension schemes for the benefit of company officers were still the rule in the war year, 1943. (Figures for 1944 are not yet available.) These amounts were paid out from company treasuries despite the government's efforts to limit salaries and in defiance of President Roosevelt's seven-point economic stabilization program of April 27, 1942. The 78th Congress had nullified the President's directive establishing a \$25,000 salary limitation.

Excessive compensation increased the cost of war contracts, the American Investors Union pointed out in *Your Investments* (April, 1944). The government thus loses because of such unnecessary expenses.

Compensation of some company officers in 1943 showed very high percentages of increase ranging from 40% to 293% above the prewar year, 1940. Aviation Corp., for example, paid its president, Victor Emanuel, 293% more; J. H. Rand, Jr., of Remington-Rand received 175% more.

Other increases in 1943 above 1940 were as follows: A. Q. Petersen of Wesson Oil, 188%; T. May of May Department Stores, 154%; C. H. Palmer of E. R. Squibb & Sons, 112%; J. W. Frazer of Willys-Overland Motors, 105%; W. H. Dow of Dow Chemical, 100%.

**A Few Big Ones:** Some of the largest salaries, plus bonus, received in 1943 by top officers of leading companies are given below:

	1943
T. Girdler (Republic Steel)	\$275,000
J. H. Rand, Jr. (Remington-Rand)	255,278 <sup>a</sup>
C. W. Deyo (F. W. Woolworth)	250,974
E. G. Grace (Bethlehem Steel)	221,645
W. S. Gifford (A. T. & T.)	210,350
R. R. Deupree (Procter & Gamble)	200,000
A. W. Robertson (Westinghouse Electric & Mfg.)	198,700
J. Spencer Love (Burlington Mills)	170,810
T. May (May Department Stores)	159,959
L. S. Cates (Phelps Dodge)	151,400
F. B. Hufnagel (Crucible Steel)	150,000
M. Pendleton (American Woolen)	125,550
J. W. Frazer (Willys-Overland Motors)	123,184
H. A. Jackson (Chicago Pneumatic Tool)	120,020

<sup>a</sup> Includes bonus for previous years and increase in base salary.

	1943
J. W. Thomas (Firestone Tire & Rubber)	120,000
L. A. Van Bommel (Nat'l Dairy Products)	110,123
C. H. Palmer (E. R. Squibb & Sons)	102,127
W. H. Dow (Dow Chemical)	100,000

These amounts paid as salary (plus bonus in many cases) do not include any other income the officer may have received from stock ownership. Corporation executives often receive millions in dividends as shareholders in their own or other companies.

**Stock Options:** Companies often grant concealed salary increases to their officials by giving them options on company stock at a purchase price considerably under the market rate. An example of this profitable arrangement was given by *Business Week*, July 22, 1944, as follows:

Willys-Overland Motors, Inc., offered a substantial stock purchase option in July, 1944. It gave Charles E. Sorensen, company president, the right to buy, at \$3 a share, 100,000 shares of Willys-Overland common stock, which had recently sold at a price above \$20 on the New York Stock Exchange.

Sorensen can purchase the stock in batches of 22,500 annually at \$3 a share. If the market price of \$20 a share holds, he will collect, in addition to his salary, \$382,500 a year.

The Bureau of Internal Revenue, however, before the end of 1944, ruled that a stock option to an executive will be treated as a salary increase. By this ruling an option to purchase property having a market value of \$10,000 for \$3,000 may be deemed to have an ascertainable market value not in excess of \$7,000, and that value will constitute taxable income to the executive.

## PRICE CONTROL

During 1943 and 1944, the Office of Price Administration continued its efforts to hold prices to non-inflationary levels. Despite increasing pressures and occasional breakthroughs, that effort was generally successful.

By September, 1944, the U. S. Bureau of Labor Statistics retail price index had risen 28.3% above 1939 when the war began. Retail prices of food, the major item in the lower-income budget, rose 46.5% in the same period. (Labor's criticism of this index is given below.)

In the spring of 1943, however, runaway inflation threatened. This was stopped by the OPA program following the President's hold-the-line order of April 8, 1943. A number of commodities, like fresh vegetables, which had hitherto been exempt, were brought under control, the policy of setting dollar-and-cent prices was extended and speeded up, and prices of several basic foods were reduced chiefly by means of subsidy payments to producers. (See Ch. VII.)

Even though Congressional opposition prevented broadening of the subsidy program in order to lower retail prices, OPA was substantially successful in holding the price level. Official statistics show that from September, 1942—the bench mark used in the stabilization program—to May, 1943, the average price increase for commodities included in the BLS retail price index amounted to over 6%. But from May, 1943, to the end of 1944, OPA kept further over-all increase down to 1%. The most important accomplishment was holding down food costs, which were lowered as much as 8% in the 19-month period.

Cost of clothing and household furnishings, important items in the lower-income budget, continued to rise. In this field, more than in any other, OPA was faced with the problems of quality deterioration and of the virtual disappearance of lower-priced goods from the market. Joint efforts by the War Production Board (in allocating materials) and OPA (in raising prices on specific items in great need) led to the beginning of a solution of the lower-price clothing problem. Though consumers would have to pay higher prices than formerly, they would at least not be compelled to buy high-priced lines which were far beyond their budgets. With regard to quality deterioration OPA control was completely ineffective chiefly because of Congressional opposition to any form of grade labeling.

**Congress Weakens Price Control:** The attitude of the 78th Congress, under pressure from various special interests, was as much responsible as any other factor for the difficulties encountered in holding prices. During 1943-44 Congress weakened OPA's effectiveness by several amendments to the price control act, the worst of which was the provision that prices for each major item made from cotton or cotton yarn must separately reflect a parity price to the growers. This provision led to the raising of prices on a number of textile items which in turn pushed up the price of apparel and housefurnishings made of cotton or for which cotton was used as a raw material.

Congress specifically prohibited OPA from requiring retailers to

refrain from selling any apparel which constituted a higher price line than they had sold during a particular period prior to price control. This requirement had been in force before July, 1944.

Another amendment compelled increasing food prices whenever crops for a particular item were low because of weather, etc., or when there had been some unusual increase in the expense of marketing a product. This provision immediately raised prices of a number of fresh fruits and vegetables.

Congress also prevented the OPA from using grades established by the Department of Agriculture in setting prices on various canned vegetables and fruits. And it reduced the penalty for violation where the defendant can prove the violation was not willful.

At the beginning of 1945 inflationary pressures were rising. They indicated that the most difficult tasks of OPA lay in the future, especially in the period following the end of the war in Europe.

## II. POSTWAR GOALS AND PROBLEMS

### ECONOMIC BILL OF RIGHTS

In his message to Congress, January 11, 1944, President Roosevelt presented an eight-point program which has come to be known as the Economic Bill of Rights. These guiding principles for economic security in the years to come are as follows:

The right to a useful and remunerative job in the industries, or shops or farms or mines of the nation.

The right to earn enough to provide adequate food and clothing and recreation.

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living.

The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad.

The right of every family to a decent home.

The right to adequate medical care and the opportunity to achieve and enjoy good health.

The right to adequate protection from the economic fears of old age, sickness, accident and unemployment.

The right to a good education.

### PROBLEMS OF RECONVERSION

Problems of reconversion were first officially recognized by the National Resources Planning Board which had been set up before the second World War as a technical advisor to the President. The NRPB had been concerned primarily with "general plans for public activity," involving development of natural resources, better housing, and better facilities for education, health and recreation. In 1943 it issued a three-volume report on National Resources Development in relation to post-war planning and security, work and relief policies, together with popular pamphlets on such subjects as Postwar Planning, the Future of Transportation, and Full Employment.

Congress refused further funds for the NRPB and it was liquidated in June, 1943.

**Baruch-Hancock Report:** A special report on *War and Post-War Adjustment Policies* by Bernard M. Baruch and John M. Hancock was published in February, 1944, by the Office of War Mobilization. It asserted that "there is no need for a post-war depression," provided there is careful government planning of production in the transition from war to peace. Such planning would aim primarily (1) to avoid excessive stockpiling during the war; (2) to assure prompt action for final settlement of terminated war contracts; and (3) to provide special assistance including federal credit to small business concerns for the "change-over." Price control, priorities and allocation powers and the President's power to requisition should be continued throughout the transition period.

It emphasized the importance of a federal agency concerned not only with job placement for veterans and war workers but with adequate care for the disabled, education for those whose schooling was interrupted and vocational training in general.

Recommendations on the disposal of surplus government property (which includes along with land and consumer goods some \$15.5 billions of war plants and machinery) emphasized that all peacetime industrial production for the market should be carried on by corporations or individuals as private business.

**Lack of Co-ordination:** So long as war production is of paramount importance, the problem of "reconversion" is concerned primarily with shifts from one type of war product to another. James F. Byrnes, director of War Mobilization and Reconversion, made this clear in his report of January 1, 1945:

"About 55% of our war programs are not rising; a few are declining. The net result is that the forecast for munitions production as a whole does not indicate any great increase in the first six months of 1945. But a good part of that production—45% of it in fact—is in the expanding, critical items...."

Until the latter part of 1944, twenty-seven different and independent war procurement agencies within the War and Navy Departments, the Treasury and other government offices had the authority to place contracts or to cancel contracts without common planning or even inter-office consultation. How this chaotic situation interfered with smooth and effective shifts in war production—or from war production to peacetime industry—was made clear in June, 1944, when the plant of the Brewster

Aeronautical Corp. at Long Island City, N. Y., completed work on a contract for Navy planes. Brewster ceased operations and began dismantling its plant while other firms elsewhere were still barely able to supply similar planes for the Army. The shut-down at Brewster was accompanied by the shutting down of the nearby aluminum plant. Thousands of workers were thrown out of jobs in the New York area while there was a shortage of workers in Detroit.

**Progress Toward Centralized Planning:** Procurement officials had, before September 7, 1944, canceled more than \$18 billion of authorized expenditures so as to prevent accumulation of excess war supplies. By January 1, 1945, cancellations totaled about \$25 billion.

On contracts already awarded it had been ruled by Office of War Mobilization and the WPB that any cutback involving as much as \$200,000 a month must be reported in advance to the War Production Board. And if the cutback involved as much as \$1,000,000 a month, WPB must be given detailed information on the facilities and labor involved.

The War Production Board had assigned a special staff to the subject of cutbacks, and a Program Readjustment Committee included representatives of the procurement agencies.

**Byrnes Report of September 7, 1944:** War Mobilization Director Byrnes, reporting on this administrative action, stated also that advance planning was already under way for the broad cutback of war production by roughly 40% which would follow the defeat of Germany. For this planning, certain guiding principles had been adopted which included the following considerations:

Contractors retained in war production "must be the best qualified." There should be no discrimination against small contractors.

Among the "best qualified," privately owned plants not normally engaged in war production would have first priority of release.

Due consideration would be given "to cushioning the shock of unemployment"; to factors involving public transportation; and to the welfare of smaller business.

Companies responsible for the development and engineering of specialized products will be retained in preference to those which are merely licensed for their manufacture.

To reduce time lag between curtailment or cancellation of war contracts and resumption of large civilian production, controls will be modified but War Producton Board will retain authority.

This Byrnes Report recommended a general return to the 40-hour week in civilian production, but it passed over the question of a corresponding increase in hourly wages so that mass purchasing power might be maintained.

**"Spot Authorization" Plan:** Under administrative ruling of the War Production Board, effective August 15, 1944 (and technically known as Priorities Regulation No. 25), any plant which had been producing for war purposes would be allowed to shift to civilian production if four conditions were all met: (1) no war order was in hand; (2) facilities and workers were not needed for war work; (3) materials were available; and (4) local WPB gave approval. In giving approval, WPB would bear in mind a list of approximately 100 articles recognized as more urgently needed by civilians. Up to October 14, the WPB had permitted 1,110 manufacturers to resume civilian production under this plan, 1,073 requests had been denied, and 1,466 requests were pending. By the end of the year, such reconversion was recognized as premature and the WPB froze civilian production "at not to exceed the fourth quarter levels of 1944."

In his January, 1945, report as Director of Mobilization and Reconversion, Byrnes called this a "too early start toward reconversion" due to "a wave of optimism.... At the time it seemed the prudent course. Events have proved it otherwise." He showed, however, that even while pushing for all-out war production it was vitally important "to plan an orderly, gradual transition from all-out war production to a peacetime economy." When war production is cut, with victory in Europe, a corresponding increase in civilian production will be not only possible but necessary for maintaining full employment.

## LAWS AFFECTING RECONVERSION

**Contract Termination:** The War Contract Settlement Act of July 1, 1944, was the first important law affecting the transition from war production to peacetime industry. It is concerned with details of financial settlement and is aimed at making quickly available to prime contractors a large part of the funds to which they are entitled. Procedure is simplified where sums of only \$50,000 or less are involved.

The law has been criticized as providing inadequate protection against fraudulent padding of claims. Also, while thus providing prime contractors with quick settlement, and making available capital for post-

war production, Congress failed to assure quick and fair settlement of sub-contractors' claims. And it has done nothing toward assuring severance pay to the workers or standardizing the levels of unemployment insurance.

**Reconversion Act of October 3, 1944:** In signing the two measures on reconversion and on disposal of surplus property, President Roosevelt expressed "considerable reluctance" and enumerated their shortcomings. He hoped that their deficiencies would be "promptly rectified."

The Reconversion Act (Public Law 458), based on a bill introduced by Senator Walter F. George, of Georgia, broadened the Office of War Mobilization which became the Office of War Mobilization and Reconversion. Two recently created agencies (Office of Contract Settlement and Surplus Property Board) were placed within the OWMR, along with a new Retraining and Re-employment Administration. An advisory board will meet upon the call of the Director of the OWMR. Its twelve members, appointed by the President, shall include three with experience in business management, three with experience in matters relating to labor and three with experience in agriculture.

The OWMR is a clearing house for information on demobilization and reconversion plans of executive agencies, but it has no explicit power for co-ordinating their activities. Certain principles are, however, laid down in the act.

Demobilization shall not be postponed and war contracts shall not be continued merely for the purpose of preventing unemployment. (But work may be continued if the OWMR finds this "necessary to avoid substantial physical injury to a plant or property.")

Executive agencies concerned with manpower, production and materials shall permit increase in nonwar activity whenever this will not interfere with production still required for war purposes. Further, the Director of OWMR shall establish policies to be followed in selecting contracts for curtailment, nonrenewal or termination. He shall promote consultation among agencies, contractors and labor representatives for continuing use of facilities and manpower.

The field shall be open for any company to begin peacetime production without waiting until its competitors also are released. Materials shall not be withheld simply because a company wishes to make some product it had not been making before the war.

Small plants shall be allotted a percentage of materials allocated for nonwar production. And the Attorney General is instructed especially

to be on guard against any injuries to small business and any strengthening of monopolies during the period of reconversion. He is to make special reports and recommendations on this subject.

To strengthen the state unemployment systems, additional federal funds are placed in the federal unemployment account where they will be made available, under certain conditions, as a temporary advance to a state unemployment fund.

Further, the Federal Works Administrator is authorized to advance funds to states and to other non-federal public agencies for use in public construction projects. But the Act itself includes no appropriation for such funds and does not commit Congress to making such an appropriation.

**Surplus Property Act of October 3, 1944:** The purpose of this Act (Public Law 457) is prompt disposal at fair prices of government property no longer needed for war uses, while aiding "free independent private enterprise" and discouraging speculation and monopoly; facilitating transition from war to peace; and fostering family-type farming and postwar employment.

Within the Office of War Mobilization and Reconversion, a Surplus Property Board, of three members, replaces the Surplus War Property Administration which had been functioning by Executive Order. For surplus merchant shipping or vessels that can be converted to merchant use, the U. S. Maritime Commission shall be the only disposal agency. For other property the Board shall assign responsibility to other government agencies, but so far as possible it shall arrange that all property of any given type is handled by some one agency. Stock piling and disposal of strategic minerals and metals must be determined in consultation with War and Navy Departments and War Production Board.

If property that is surplus for one government body can be utilized by another government body, transfer from the one to the other shall have priority over all other disposal. States, counties, cities and towns, and non-profit educational institutions shall have next priority in obtaining surplus federal property. After these priorities are satisfied, the Board shall give preference to veterans, to farmers and farm cooperatives, and (with the aid of the Smaller War Plants Corp.) to small business concerns.

On such government-owned industrial plants as cost \$5,000,000 or more, a special report and program is to be submitted to Congress. And most of these plants shall not be permanently disposed of until at least

30 days after the program of the SPB has been placed before Congress. But aircraft plants and facilities, shipyards, transportation facilities and radio and electrical equipment may be disposed of at any time at the discretion of the Board.

Policies governing disposal of surplus agricultural products and foods held by any government agency shall be formulated by or with the approval of the War Food Administration, but the SPB shall designate the agency for their disposal. Such products shall not be sold in the United States in greater quantities or at lower prices than apply to sales by the Commodity Credit Corp. If current market prices are higher than CCC prices, these higher prices will set the standard for the SPB. For export, however, surplus agricultural products may be sold at lower competitive world prices. Such dumping of food is permitted only if there is ample supply within the United States of the food or food product which has become "surplus" for government needs.

**On Farm Real Estate:** The owner who sold farm real estate to the government after December 31, 1939, may repurchase at price which he received for it, adjusted for subsequent improvements or damage to the property. If former owner does not repurchase within 90 days, a tenant who was occupying the land when the government bought it may purchase it on the same terms. Agricultural land not bought by former owner or tenant shall be offered (after subdivision if necessary) in economic family-size units, and veterans shall be granted a preference over non-veterans. After veterans, next preference shall be for any others who expect to farm it for a livelihood. The Department of Agriculture shall extend such financial and technical assistance as is available.

### KILGORE-CELLER BILL

A bill embodying many recommendations of the Baruch-Hancock Report had been introduced March 29, 1944, by Senator Harley M. Kilgore (D., W. Va.). Later, the same bill was introduced in the House of Representatives by Rep. Emanuel Celler (D., N. Y.). It was endorsed by the CIO, the AFL and the railroad brotherhoods. But this bill was sidetracked and its most important proposals were not included in the reconversion and surplus property disposal laws of October 3, 1944.

A Bureau of Programs would be established with a view to maintaining full production and employment in the postwar reconversion period. Its work would include "programs and measures for public work, housing,

taxation, industrial and regional development, expansion of foreign trade, social security and the maintenance of competitive enterprise."

**For Veterans and War Workers:** In relation to ex-servicemen and war workers, the Kilgore-Celler Bill includes several constructive provisions to which the Reconversion Act of October 3, 1944, has nothing comparable. It states the following objectives: (a) to facilitate the most effective mobilization and maximum utilization of the nation's manpower in the prosecution of the war; (b) to maintain maximum employment in the transition from war to peacetime production; (c) to provide for the co-ordination of the demobilization of servicemen with employment opportunities under a policy of demobilizing servicemen as rapidly as the military situation permits; (d) to provide necessary training of ex-servicemen and war workers; (e) to provide necessary economic assistance to returning ex-servicemen and war workers in connection with transfer, training and re-employment where such necessary economic assistance is not already provided.

**Standards of Unemployment Insurance:** The bill proposes federal standards of unemployment benefits for honorably discharged ex-servicemen and for civilian workers. Federal funds would be made available to the state unemployment insurance agencies to supplement state benefits falling below the federal standard.

The bill would for the first time make eligible for unemployment benefits persons who have been employed by any government body; or "with substantial regularity" in agriculture.

It proposes also a program of federally financed education or training with six months' full-time study for all workers, and a longer period for those who have given active military service. Students would receive maintenance allowance in addition to the free opportunity for study.

Under an amendment recommended by the Democratic majority of the Senate Military Affairs Committee, the Kilgore Bill would also require the Secretary of Labor to investigate the effect of an annual wage requirement upon employment and living standards.

**Mustering-Out Payments:** With no relation to employment or unemployment, every man and every woman in the armed forces would receive mustering-out payments with minimum amount of \$200 and sums ranging upward according to number of dependents and period of active duty. For example, a soldier with two or more dependents who had been in the army two years and eight months and had served in Alaska or in France, would, under the Kilgore plan, receive as

mustering-out pay six monthly installments of \$150 each. Only the serviceman who has no dependents and who had been on active duty less than six months and only within the United States would receive as little as \$200 upon his discharge.

## TAXES FOR WAR AND RECONVERSION

A nearly eight-fold increase in federal tax receipts is the main feature of the wartime tax picture. This is due to expansion of the national income, higher tax rates and the addition of millions of new taxpayers through lowering of tax-exempt income level.

Total taxes, including federal, state and local, increased from \$13.8 billion in 1939 to \$50.1 billion in 1944. Federal taxes, which were 37% of the total in 1939, had climbed to 80% of the total in 1944.

**Federal Taxes:** The over-all wartime growth of federal taxes, the main financial weapon of the war and of the struggle against inflation, is shown in the table below:

<i>Type of federal tax</i>	<i>Year ending June 30</i>		
	<i>1939</i>	<i>1943</i>	<i>1944</i>
Individual income taxes	\$1,029	\$ 6,630	\$18,261
Corporate income taxes	1,123	4,520	5,284
Corporate excess-profit taxes	.....	5,064	9,345
Estate and gift taxes	361	447	511
Excises, etc.	1,909	4,209	4,981
Social security taxes	740	1,499	1,738
<hr/>	<hr/>	<hr/>	<hr/>
Total	\$5,162	\$22,369	\$40,120

**Individual Income Taxes:** In 1939 individual federal income tax exemptions were \$2,500 for a married couple plus \$400 for each dependent and \$1,000 for single persons. A 10% "earned income" credit was allowed and the tax rate in the lowest taxable income group was 4%.

By 1944 exemption had been reduced to \$1,000 for a married couple, plus \$500 for each dependent, and to \$500 for single persons. The 10% "earned income" credit had been abolished and the tax rate for the lowest group was increased to 20%. In addition a 3% so-called "normal" tax was imposed on income, subject to only a \$500 exemption regardless

of marital status or number of dependents. This latter tax weighs heavily on the lowest income groups.

Analysis of income tax revenue by size of income is not available for the war years but tax authorities agree that most of the eighteen-fold increase in personal income tax total was derived from incomes below \$5,000. The Treasury Department estimates that more than half of the 1944 personal income tax yield will come from this group.

"Ruml Plan": In January, 1943, President Roosevelt requested Congress to raise \$16 billion additional revenue in the next fiscal year. Congress responded in June, 1943, with the "Current Tax Payment Act" based on the proposals of Beardsley Ruml, Chairman of the Federal Reserve Bank of New York, and designed ostensibly to establish the pay-as-you-go plan of paying taxes. Under this Act some \$6 billion, or 75% of the accrued taxes owed to the Treasury on 1942 income, were wiped out.

Only wealthy taxpayers who had already set aside reserves for payment of their taxes benefited from this Act. For low-income people, who do not accumulate reserves for taxes, the 75% abatement of the 1942 tax liability was only a technicality which yielded no cash relief. On the contrary, since the uncanceled 25% of 1942 tax liability was required to be paid in two installments in 1944 and 1945, the net result for most low-income people was a 12.5% increase in tax payments in those two years on this account alone, in addition to the increased taxes for these years, imposed by the revenue act which was passed later in 1943.

**Revenue Act of 1943:** In October, 1943, the Treasury program calling for a \$10.5 billion increase in taxes was presented to Congress. Most of this amount was to be raised by increasing tax rates on the higher incomes, while the oppressive "victory tax" was to be repealed.

This program was rejected by Congress which in February, 1944, passed, over the President's veto, a measure raising less than \$1 billion additional taxes. The veto message had called the new measure "not a tax bill, but a tax relief bill providing relief not for the needy but for the greedy." Mr. Roosevelt said it was full of provisions for "indefensible special privileges to favored groups." These far offset the effect of an increase in the nominal excess profits tax rate from 90% to 95%.

Most of the greater tax yield under this Act came from increased excises and the repeal of the 10% "earned income" credit for individuals. The "victory tax" was retained in a slightly disguised form.

In May, 1944, a "tax simplification" bill was enacted. This did simplify the computations and forms required from low-income taxpayers. But it reduced the income tax exemptions for a married couple from \$1,200 to \$1,000, while increasing the dependent's exemption from \$350 to \$500. The "victory" levy was retained but rechristened the "normal" tax, while the applicable exemption was lowered from \$624 to \$500.

**Corporate Income and Excess-Profits Taxes:** Although there have been big increases in corporate taxes during the war, profits after taxes have more than doubled since 1939.

The top income tax rate (normal plus surtax) applicable to corporation profits over \$25,000, which was set at 40% in the 1942 Revenue Act, was retained in the 1943 Act despite the Treasury request for an increase to 50%.

The excess-profits tax increased from a rate of 90% in the 1942 Act to 95% in the 1943 Act. But the Act is so honeycombed with limitations in the definition of excess profits, and with special relief provisions and refunds, that the effective rate is far below the nominal rate.

These special provisions, both in the regular income and excess profits taxes, are of particular importance for the reconversion period in which most of their benefits to corporations will begin to emerge. Thus the so-called carry-back provisions, which in effect permit corporations to refigure their profits and taxes on a five-year average, would provide tax refunds of \$2 billion to \$3 billion, according to the Securities & Exchange Commission, if postwar corporate profits should fall to prewar levels.

Under the provision for the 10% postwar refund of excess profits taxes, credits amounting to \$1.6 billion were accumulated at the end of March, 1944, and these credits were then increasing at the rate of nearly \$1 billion a year.

Refunds payable on unamortized emergency facilities (war plants and equipment) may reach \$2 billion and claims for refunds of \$12 billion have already been filed under certain provisions of the revenue acts which permit recomputation of the prewar profit level with reference to which wartime excess profits are determined. Only a portion of such claims will, of course, be allowed.

Such refunds (which may total \$10 billion or more) will provide additional working capital and funds for the postwar period.

**Postwar Tax Plans of Business:** A number of tax programs were drawn up in 1944 by business groups, among them the Committee for Economic Development. These plans accept the principle of "expansion

of purchasing power" as one main objective of taxation. They reject the sales tax and favor elimination of the "victory" type of tax.

Labor groups, however, have found two main defects in these plans. One is their failure to treat the reconversion period (after the defeat of Germany but before the end of the war with Japan) as a special period involving peculiar and difficult problems which mark it off sharply from the postwar period of full peace.

The second defect is the business theory that the best way to expand the purchasing power of the masses is to increase corporation profits to the limit by wiping out all corporate income and excess profits taxes.

It is claimed that this will induce corporations to lower prices, increase wages and expand employment. Labor does not regard these views as sound. Much more complex relations and forces than the size and rate of business profit determine prices, wages and employment. (See Labor Research Association, *Economic Notes*, Oct., 1944.)

**CIO Tax Program for Reconversion:** In the reconversion period government expenditures will still run from \$60 billion to \$70 billion a year. At the same time there will be a sharp reduction in war production and deflationary trends may set in. The elimination of overtime pay alone, it is estimated, would reduce salaries and wages by about \$11.5 billion per annum, while the total cut in salaries and wages by a return to prewar employment levels might come to \$30 billion a year.

From this setting, two basic principles for reconversion taxation emerge. The first is maintenance of government revenue; the second is the stimulation of mass purchasing power to help maintain living standards and employment.

The CIO program for this period is briefly summarized below:

1. Raise the personal exemptions from income taxes to \$2,000 for a married couple, \$1,000 for a single person. Retain present exemption of \$500 for each dependent.

2. Repeal the 3% normal tax (former victory tax) which "victimizes the lower income groups." Retain the present surtax schedule running from 20% to 94%. Permit carry-back and carry-forward of unused personal and dependent exemptions. This would permit a worker whose current income in the reconversion period fell below exemptions to recompute his previous year's income tax applying the unused current exemption to that year's income. He would then receive a refund of the difference between the recomputed tax and his actual payment in the previous year. This would extend to individuals one of the relief provisions now available to corporations.

3. Close existing loopholes by taxation of presently exempt federal, state and local securities; require mandatory joint returns from married couples; eliminate inflated expense deductions.
4. Oppose all forms of sales taxes no matter how disguised. Retain wartime excise taxes only during reconversion period, because of the revenue needs of the government.
5. Increase excess-profits tax exemptions for small incorporated business and grade more progressively the corporate income tax rates. Retain the present top 40% (normal and surtax) rate only for corporations making more than \$100,000 a year, instead of \$25,000 as at present.
6. Continue the excess-profits tax until at least one year after the end of the Japanese war in view of revenue needs and the importance of this tax to prevent profiteering.
7. Revise the system of allowances for depreciation and depletion. To stimulate investment in the reconversion period permit accelerated depreciation allowances during the first few years of the life of new equipment. Eliminate special privileges of oil, gas and mining companies in computing depletion allowances.
8. Adopt an integrated estate and gift tax system which would close the loopholes caused by the differentials in gift and estate tax rates.

**Postwar Tax Program:** A postwar tax program cannot be specific and detailed since it is naturally impossible to foresee the future size of the national income or federal budget. But there is general agreement—except among extreme reactionaries—that the main objective of all postwar economic programs should be to achieve full employment and high-level production over a long period on the basis of private business enterprise, supplemented when necessary by government action.

As in the reconversion program, major emphasis should be put on maintenance and extension of purchasing power. The CIO therefore proposes that there be a gradual elimination of all excise taxes with the exception of those on alcoholic beverages, gasoline and tobacco. It also calls for abolition of employee payroll taxes for social security with the government and the employer sharing the costs of social security.

Corporations should continue to be taxed for the benefits and services they receive from utilizing the corporate form, but such taxes should be so imposed as to give special relief to small business and perhaps to new corporate enterprise.

In personal taxation the progressive principle of "ability to pay," based on adequate exemptions and steeply graduated rates, should be further extended.

Finally, the tax system should be kept flexible in the postwar period with rates increased and national debt reduced in prosperous years. In depression years tax rates should be reduced, but not at the expense of needed public works, assistance to unemployed workers and other programs for relief of the people in such periods.

## NATIONAL INCOME

For full employment after the war and a high standard of living throughout the United States, a new level of peacetime production must be reached and maintained. Our total production has been almost doubled since 1939. Estimated then at \$89 billion, it approached \$200 billion in 1944. Rising prices accounted for nearly a third of this increase. But even when price changes have been allowed for, the figures show a rise of some 75% in the total volume of production.

### GROSS NATIONAL PRODUCT

(billions of current dollars)

Year	Total	<i>War expenditures<sup>a</sup></i> (included in total)
1939	\$ 88.6	\$ 1.4
1940	97.1	2.8
1941	120.5	13.3
1942	151.5	49.5
1943	187.8	82.5
1944	198.7	86.3

<sup>a</sup> These figures, due to different methods of estimating, are somewhat lower than those used on page 1.

Most notable has been the increase in production and services for carrying on the war. How to convert this productive capacity to continue full employment and to provide the peacetime goods and purchasing power for genuine mass abundance is the basic postwar problem before the American people.

**Gross National Product:** Gross national product is made up of three broad groups of items: goods and services purchased by consumers; additions to capital goods privately owned; goods and services (both war and non-war) produced or purchased by the government.

Before the war, consumers' purchases had accounted for more than

half the total product. In those years they represented from four to six times the value of the increase in private capital. Production of non-durable consumers' goods has increased slightly during the war, but this production for private use has been overtapped by government purchases of goods and services. The great increase in industrial capacity which has accompanied the expansion of gross national product has been carried out chiefly with government funds spent to conduct the war.

**Income Payments:** Gross national product is always larger than the totals available to individuals which are technically known as "income payments." Here are the Department of Commerce figures for 1943, 1944 and the prewar year, 1939:

**INCOME PAYMENTS**  
(billions of current dollars)

	1939	1943	1944
Compensation of employees	\$48.1	\$106.3	\$116.2
Net income of proprietors	11.2	23.5	24.1
Interest and net rents	7.4	9.7	10.6
Dividends	3.8	4.3	4.5
Net payments from social insurance	0.4	0.6 <sup>a</sup>	1.4
 Total income payments	 \$70.9 <sup>b</sup>	 \$143.1 <sup>b</sup>	 \$156.8

<sup>a</sup> Net to social funds. <sup>b</sup> Items do not add exactly because of rounding.

Excluded from income payments are several items contributing to the gross national product: depreciation funds and other business reserves; undistributed corporation profits; business taxes and payments assessed for building up social insurance funds. Personal taxes have not, however, been deducted. The figures for income payments, therefore, somewhat overstate the actual disposable income of individuals. In 1943, for example, personal taxes totaled some \$18.3 billion and left for individual spending and saving about \$124 billion.

**National Income:** A third total, called "national income," is also used by the statisticians. It normally runs slightly above the figure for income payments to individuals. For this national income figure includes undistributed corporation profits; but it excludes the payments received by individuals from social insurance funds.

Here are the U. S. Department of Commerce estimates of gross

national product, national income and income payments for the 1939-44 period:

Year	Gross national product (billions of current dollars)	National income	Income payments
1939	\$ 88.6	\$ 70.8	\$ 70.8
1940	97.1	77.6	76.2
1941	120.5	96.9	92.7
1942	151.5	122.2	117.3
1943	187.8	149.4	143.1
1944	198.7	160.7	156.8

These three estimates are worked out from different angles, but they rise and fall together. When gross national product declines, the drop in national income payments can be slightly cushioned by benefits from social insurance funds. But in the long run a high level of income payments depends upon a high level of gross national product.

How much of the product shall be set aside as corporate savings, and how the income payments shall be distributed among salaries, wages, income from capital and net income of farmers and small businessmen are the other questions which have a direct bearing on mass purchasing power and the development of peacetime industry.

**Estimates of Postwar Possibilities:** Widely different opinions have been expressed as to the volume of production and the level of national income which can be maintained after the war. Those who believe it possible and necessary to maintain in peacetime the full production achieved during the war include, among others, Henry A. Wallace, Pres. Philip Murray of the CIO, Pres. James G. Patton of the National Farmers Union, and Prof. Seymour E. Harris, Harvard economist.

Somewhat lower goals ranging upward from \$160 billion of gross national product have been set forth by Marriner S. Eccles, chairman of the Federal Reserve Board; S. Morris Livingston, U. S. Department of Commerce economist; by Henry Luce's magazine, *Fortune*; and by the Committee for Economic Development, a privately financed employers' organization which works closely with the Department of Commerce.

Brookings Institution, on the other hand, sponsors the assumption that the war must be followed by a sharp economic decline and offers an estimate of only \$146 billion gross national product or \$123.1 billion of national income for the year 1947 (assumed to be the second year

after the war is ended). Alfred P. Sloan, president of General Motors Corp., and certain other business executives, expect an even more serious drop, to around \$100 billion of national income.

The Brookings estimate frankly shows that the whole burden of such a decline would be thrown on wage workers, farmers and small business men. Income classified as rents, royalties, dividends and undistributed corporate profits would remain at the 1943 level of \$13.5 billion. Total interest would rise from \$6.0 to \$8.6 billion. But the total of wages plus the earnings of small business men, including farmers, would fall by more than 20%, from \$129.8 billion (1943) to \$101.8 billion in 1947.

This Brookings estimate assumes that price levels remain unchanged from 1943 to 1947, and that wage rates are not raised to offset the loss of overtime pay or the shortening of the basic week.

**Production and Purchasing Power:** Economists agree that high national income will depend upon full production. When government purchases of war equipment, food and clothing for the armed forces shrink to their peace time volume, will there be full markets for the products of our greatly expanded industrial capacity? Technically, the conversion of war plants to the manufacture of all sorts of industrial equipment and consumers' durable goods is entirely possible with a minimum of capital investment for which corporation reserves are more than adequate. Our high productive capacity could then provide the physical basis for a higher standard of living than the American people have ever enjoyed.

But such a standard can be realized only through continuous full employment in all kinds of industry and through a deliberate policy of maintaining a high wage level without further price increases.

Full activity in the manufacture of consumer goods would not alone provide full employment. Continuing activity in the production of machinery and other heavy equipment is also essential. Increased demand for consumer goods will lead to some expansion of the home market for the means of production. But economists are agreed that for full employment in heavy industry special planning will be required.

Immediate outlets for the products of heavy industry include the railroads' increasing need for new rolling stock, the rebuilding of cities and industries in the devastated areas abroad, and various construction projects here at home. There are also untapped possibilities for the export of industrial equipment to countries which are still "backward" in economic development.

## PLANNING FOR POSTWAR FULL EMPLOYMENT

In his budget message of January 9, 1945, President Roosevelt proposed a general public works program totaling only \$279 million, but 50% over the corresponding figure for the 1944-45 fiscal year. At the same time he stressed the importance of far more extensive public works in the postwar period.

Noting that with demobilization there will be a record total of some 60,000,000 men and women who must earn their living, he discussed the government's responsibility for full postwar employment.

... It is the responsibility of business enterprise to translate market opportunities into employment and production. It is the responsibility of the Government to hold open the door of opportunity and assure sustained markets. Then and only then can free enterprise provide jobs....

We must develop the human standards and material resources of the nation, which in turn will tend to increase our productivity and most effectively support business expansion and employment. Our program should include provision for extended social security, including medical care; for better education, public health, and nutrition; for the improvement of our homes, cities and farms; and for the development of transportation facilities and river valleys. We must plan now so that these programs can become effective when manpower and material are available.

**Senator Murray's Employment Budget Plan:** Meantime, in December, 1944, the Senate Subcommittee on War Contracts, consisting of Murray of Montana, Truman of Missouri, and Revercomb of West Virginia, had drafted a Full Employment Bill which was introduced in January, 1945, as S. 380 of the 79th Congress. It states that:

It is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce and in the development of the natural resources of the United States;

All Americans able to work and seeking work have the right to useful, remunerative, regular, and full-time employment, and it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans who have finished their schooling and who do not have full-time housekeeping responsibilities freely to exercise this right....

... It is the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will stimulate and encourage the highest feasible levels of employment opportunities through private and other non-Federal investment and expenditure;

To the extent that continuing full employment cannot otherwise be achieved, it is the further responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment....

The bill proposes a National Production and Employment Budget. This provides for estimating the production and the total number of jobs needed during the ensuing fiscal year to assure full employment; and the production and total number of jobs already in prospect for the period. In so far as the second is less than the first, two actions will be required of the President.

He shall set forth, in an employment budget, a general program for stimulating private economic activity with a view to increased employment. And if it appears that this will be "insufficient to provide a full employment volume of production, the President shall transmit a general program for such Federal investment and expenditure as will be sufficient to bring the aggregate volume of investment and expenditure by private business, consumers, State and local government, and the Federal Government, up to the level required to assure a full employment volume of production. Such program shall be designed to contribute to the national wealth and well-being, and to stimulate additional non-Federal investment and expenditure. Any of such programs calling for the construction of public works by the Federal Government shall provide for the performance of the necessary construction work by private concerns under contracts awarded in accordance with applicable laws, except where the performance of such work by some other method is necessary by reason of special circumstances or is authorized by other provisions of law."

These details are important, as refuting the statements poured forth from reactionary sources that the President's program and the Murray bill attack the freedom of capitalist enterprise.

### PUBLIC WORKS

The Federal-Aid Highway Act of 1944, signed by President Roosevelt, December 21 of that year, appropriates \$1.5 billion for aid in building state highways. This will be available as \$500,000,000 a year for three years. Except for \$100,000,000 which may be used by the states immediately for surveys and plans, these funds will be reserved for use after the war.

The President called this Act "a challenge to the States, counties and

cities which must originate the specific projects" and "a notice to the 44 State Legislatures which convene in 1945 that the highway program will require their prompt and vigorous attention."

In September, 1944, it had been reported that states, counties and cities had completed plans for \$379,819,000 of highway construction and have plans underway for nearly four times that amount.

For other public works, the Administration has proposed that at least \$5 billion of federal funds should be appropriated for the first year of peace. Major-General Philip B. Fleming, Federal Works Administrator, stated in November, 1944, that, in administering federal aid to public works other than highways, priority should be given to projects contributing directly to community welfare such as sewer systems, water works or a hospital.

The President asked the 78th Congress to appropriate \$75,900,000 for non-interest bearing loans and advances to aid the states in planning of non-federal public works projects to be carried out by states, counties and local communities. Such advances had been authorized by the Reconversion Act. But this item was deleted by the House Appropriations Committee.

It is understood that on all such postwar projects workers would receive "prevailing wages" and would not have to prove complete destitution in order to obtain employment.

The St. Lawrence Seaway project, for which funds were refused by the 78th Congress, and the Missouri Valley project, similar to the TVA, are both regarded by the Administration as measures peculiarly valuable for the period of transition from war to peace. Flood control and reforestation in the Missouri Valley would be of permanent value to the entire nation.

## CARTELS

International cartels are economic arrangements among private interests of several countries for the purpose of regulating industry and trade. The term "cartel," used originally for a written agreement among conflicting interests, now covers also the exclusive licensing of patents and international combines tied together by a holding company or other form of interlocking stock interest.

In 1939 there were 179 international cartels of which 109 included American concerns. Since 1939, the U. S. Department of Justice has

instituted more than 40 proceedings against cartel arrangements involving more than a dozen types of products.

After World War I German industry took the lead in developing international cartels. The Kilgore Subcommittee on War Mobilization (of the Senate Committee on Military Affairs) in its report, *Cartels and National Security* (November, 1944), shows that by means of the cartel system "our Axis enemies engaged in systematic economic warfare against the United States as a prelude to their military aggressions."

**Administration Policy:** President Roosevelt in a letter to Secretary Hull, September 8, 1944, stated again the Administration's policy against all monopoly practices in international trade: "Cartel practices which restrict the free flow of goods in foreign commerce will have to be curbed. With international trade involved, this end can be achieved only through collaborative action by the United Nations."

He points up the difference between such private monopolies and the open government trade agreements which have as their objective "the elimination of barriers to the free flow of trade in international commerce."

The Inter-Departmental Executive Committee on Post-War Economic Policy is understood to have developed this principle with a firm stand against "restrictive" international agreements (whether governmental or private) in world trade. It recommends also that patent systems be revised according to the British principle that patents must be worked if they are to be binding, and that they shall be licensed to anyone who has the means to work them.

**Businessmen and Cartels:** The international businessmen's conference at Rye, New York (Nov., 1944), did not endorse the President's stand against cartels. It recommended further study of the subject with the aid of private business interests and the ultimate establishment of "rules and standards to govern such agreements in international trade."

The National Association of Manufacturers at its annual convention in December, 1944, went on record against cartels and equally against government regulation of trade.

The National Foreign Trade Council, Inc., a businessmen's organization, through its committee on international business agreements, proposes limited publicity on such matters. It states that "the nation's foreign economic policy is entitled to primary consideration in determining the reasonableness or unreasonableness of any restraint of trade which might result from such agreements." (*N. Y. Times*, Dec. 3, 1944.)

## FOREIGN TRADE

**Wartime Lend-Lease:** Under the Lend-Lease Act of March 11, 1941, increasing quantities of American products have been shipped to members of the United Nations. The total to June 30, 1944, was as follows:

Munitions	\$15,162,329,000
Industrial materials	6,026,086,000
Agricultural products	3,630,585,000
Servicing and repair of ships, etc.	522,853,000
Rental of ships, ferrying of aircraft, etc.	2,210,752,000
Production facilities in U. S.	621,700,000
Miscellaneous expenses	96,046,000
 Total	 \$28,270,351,000

United Kingdom, Australia, New Zealand and India received nearly half of all lend-lease shipments. Next in total value were the shipments to the Soviet Union. These have included not only explosives, steel and other metals, airplanes, machinery and food, but 13,000 tons of seeds for planting in territories recovered from the Nazis.

Reverse lend-lease aid to the United States has not been completely reported. But President Roosevelt stated, November 24, 1944, that up to June 30, 1944, the governments of the British Commonwealth of Nations had provided the United States with goods and services totaling \$3,348,000,000:

From the day our first soldiers arrived [in the United Kingdom] in 1942, one-third of all the supplies and equipment currently required by United States troops in the British Isles has been provided under reverse lend-lease .... For the war against Japan, United States forces have also received increased quantities of supplies and services in the past six months as reverse lend-lease from Australia and New Zealand, and in India.

In 1945, lend-lease shipments to Great Britain will include housing materials, prefabricated houses and foodstuffs. And Britain will also begin again to import commercially materials required for manufacture of products for export. This new lend-lease agreement (announced November 30, 1944), provided that the volume of lend-lease aid to Britain would be cut by 43% as soon as Germany is defeated. It also recognized Britain's vital interest in reviving her export trade and laid

plans that there should be no "undue competitive advantage" for the exporters of either nation.

**Other Wartime Exports:** Other exports have continued along with lend-lease shipments. Between March 11, 1941 (when lend-lease was authorized) and June 30, 1944 cash exports totaled \$10.9 billion. During 1944 they totaled about \$3.0 billion, or slightly more than the \$2.8 billion yearly average of 1935-39.

**Postwar Exports:** Businessmen, bankers, and economists are recognizing the importance of greatly increased foreign trade as a factor in full production within the United States. They see that industrialization of undeveloped foreign areas will not only give an immediate outlet for the products of our heavy industry but will lay the permanent basis for a much larger total volume of trade. Their view is summarized by Eugene Staley in his *World Economic Development*:

It is a common error to suppose that economic development which increases the ability of a country to carry on modern industrial processes must ordinarily lead to a decrease in its imports of manufactured goods. By and large, just the opposite has been true in the past. Of course, the new and more diversified production of the developing country does replace some goods formerly imported. But rising incomes make it possible to buy other kinds of goods abroad that the people of the developing country have not been able to enjoy before.

Figures of pre-war exports (1938) to our nearest neighbors illustrate such differences: Canada imported from the United States merchandise valued at \$40.64 per capita of Canadian population. Mexico imported only \$3.80 per capita of Mexican population. Europe (not including the Soviet Union) imported from the United States an average of \$3.11 per capita; Japan, \$2.18 per capita; and China, still industrially undeveloped, only 7.6 cents per capita of her population.

William P. Witherow, chairman of executive committee of National Association of Manufacturers, in an address before the Permanent Council of American Associations of Commerce and Production, May 6, 1944, said:

The principal obstacle we have to the export business we might do in Latin America is the low purchasing power of the people.... That market is increasing, not through increase in raw material wealth, but through industrialization.... Even when manufacturing establishments in undeveloped countries appear to offer direct competition with us, that competition is often

more apparent than real. For example, there is now in Brazil the first steel mill to be erected south of the equator. . . . This mill will produce rails for the much needed extension of the railways of South America. But the very production of these rails will create a demand for locomotives, and cars, and wheels, and all of the varied hardware essential to operation of a railway.

Not to be forgotten are the vast needs of the Soviet Union. Its "industrial future is a fabulous prospect," as Henry J. Kaiser has phrased it. That country alone might well be ready to take yearly at least \$5 billion of American products (machinery and consumer durable goods) for several years after the war.

It was reported November 30, 1944, that Allied governments are proposing to buy in the United States at least \$10 billion worth of materials and supplies for post-war reconstruction.

**Large Imports Also Necessary:** That foreign trade must flow freely in both directions is also recognized. R. C. Leffingwell, chairman of the executive committee of J. P. Morgan & Co., Inc., stated in November, 1944: "We must be able to sell goods abroad in greater quantity than ever before in peace—in spite of being a creditor nation. To do so we must buy as well goods and services and make foreign loans and investments." His recommendations included the lowering or removal of tariffs and subsidies.

A recent study of foreign trade by the Foreign Policy Association emphasizes that, "lending operations must be combined with a trade policy which will permit foreign nations to discharge their obligations to the United States so far as possible by means of current trade. And this, in turn, calls for a reduction in the American tariff substantial enough to permit other countries to regain and expand their sales in the American market." (*Foreign Policy Reports*, Aug. 1, 1944, p. 116.)

Robert M. Gaylord, president of the National Association of Manufacturers, stated in November, 1944:

I think it is safe to say that the manufacturers of the United States today recognize these basic principles. First, if we are to export goods we must receive payment for them in raw materials and in the manufactured goods of other nations.

Second, if we are to export capital, we must be prepared to do so on a long term basis and with the knowledge that it can be returned to us only in the shape of goods and services rendered by those who borrow.

Third, that this can be done without lowering or adversely affecting the standards of our own country. (*NAM News*, Nov. 11, 1944.)

## PLANNING IN FOREIGN TRADE AND INVESTMENT

Importance of postwar planning and regulation of foreign trade has been stressed from three angles. Staley in his *World Economic Development* refers to need for international control over investment to forestall imperialist domination by the lending country; to maintain a fairly steady flow of production; and to assure a genuinely productive use of capital.

The Roosevelt administration has tried to promote international agreements providing some allotment of trade. An oil treaty, signed August 8, 1944, by Edward R. Stettinius, Jr., then Acting Secretary of State, and Lord Beaverbrook, British Lord Privy Seal, was regarded as a pattern for agreements on tin, rubber, sugar and basic alloys. But the proposal that world oil production be expanded "in an orderly manner" and "in accordance with the principles of the Atlantic Charter and in order to serve the needs of collective security" was sharply criticized by certain corporation spokesmen of the petroleum industry. The treaty was pigeon-holed by the Senate Foreign Relations Committee.

**Aviation Conference:** At the International Civil Aviation Conference (Chicago, Nov. 1 to Dec. 7, 1944), the American delegation, led by Ass't. Secretary of State A. A. Berle, Jr., stood for free competition in international civil aviation with a minimum of regulation, chiefly on technical details. The British and several British Empire delegations wanted genuine international control. Australia and New Zealand even proposed that a world authority should own and operate all international lines, but this found no support.

The Conference established the basic rights of innocent passage over any foreign country and of nontraffic landings for fuel or repairs. These two "freedoms of the air" were accepted by the delegates of all 51 nations participating in the conference. Provision is made for international technical standards.

A second agreement for three other "freedoms" was opposed by the British and a majority of the conference. These other "freedoms" demanded by the United States are freedom to take traffic from the homeland to any country which may agree; to bring traffic from any country to the homeland; and to pick up and discharge traffic at intermediate points. While rejected in the multilateral agreement of the 51 delegations, these other freedoms will be the subject of bilateral negotiations by various powers.

An interim council was elected to function as executive board of a provisional world aviation body as soon as 26 governments have approved the conference decisions. Its activity is limited to a maximum of three years between the end of hostilities and the setting up of the permanent International Civil Aviation Organization proposed by the Conference.

What relation the ICAO should bear to the world security organization proposed at Dumbarton Oaks was the subject of a heated but inconclusive debate.

Notable was the absence of the Soviet Union, whose delegates were recalled because the conference included three nations—Spain, Portugal and Switzerland—which have been giving during the war valuable economic assistance to Nazi Germany. A seat on the council is reserved for the Soviet Union, and none of these three “neutrals” is given representation.

**A British Statement:** On the general question of postwar economic collaboration between Great Britain and the United States, the Earl of Halifax, British Ambassador in Washington, put the issue squarely before the Investment Bankers Association, November 28, 1944, at Chicago.

He pointed out that it is essential for both countries to increase their exports of goods and services. Before the war, Great Britain had a large import balance, covered by its overseas investments and shipping profits. But much of the foreign investment was liquidated to meet the cost of the war. Much of the shipping has been destroyed. Only with increased exports can the British obtain the imports absolutely necessary as food and as industrial materials. “The prosperity of the world depends upon the prosperity of all.... It is not going to help us to see again ten million men unemployed in the United States. Nor is it going to help you to see Britain economically crippled through lack of purchasing power abroad.”

After the last war American and British bankers competed in granting international loans with the result that they and the public lost a great deal of money.

“Should it not be possible,” asked Lord Halifax, “this time to marry your money and experience with ours, and by so doing limit our joint risk, save our joint capital, and insure that the money we both lend is spent constructively?”

**An Official American Statement:** Dean Acheson, as chairman of the

Interdepartmental Executive Committee on Post-War Economic policies, gave the House Subcommittee on Foreign Trade and Shipping a statement of the Roosevelt Administration's nine-point program for postwar international organization and action in the economic field. (*N. Y. Times*, Dec. 1, 1944.) In summary it included:

1. Repeal of the Johnson Act, so that private lenders can make loans to foreign governments which are in default on their First World War debts to this country.
2. Expansion of lending authority of the federal Export-Import Bank.
3. Ratification by Congress of the International Bank for Reconstruction and Development as approved at Bretton Woods.
4. Ratification by Congress of the International Monetary Fund, also approved at Bretton Woods.
5. Reduction of tariffs.
6. An international trade conference "at the earliest practicable date for the reduction of all kinds of barriers to trade." Any agreement would be submitted to Congress for approval.
7. Creation of "an international trade organization to study international trade problems and to recommend practical solutions."
8. Possible expansion of the powers of the Securities and Exchange Commission to act as a further check on the soundness of foreign loans made by private bankers and guaranteed by proposed international bank.
9. Approval of the International Security Organization proposed at Dumbarton Oaks, the Economic and Social Council of which would form the capstone of the postwar international economic organization.

The statement attacked past commodity agreements as deficient because they are chiefly directed toward artificial restriction of output and bolstering of prices without removing the fundamental causes of the disequilibrium.

### BRETON WOODS PLAN

Economic experts of 44 nations met at Bretton Woods, N. H., July 1-21, 1944. In greeting the delegates, President Roosevelt wrote:

"At Bretton Woods you . . . are meeting for the first time to talk over proposals for an enduring program of future economic cooperation and peaceful progress. . . . Only through a dynamic and a soundly expanding world economy can the living standards of individual nations be advanced."

Two preliminary plans, offered early in 1943 by Lord Keynes in London and by Harry D. White of the U. S. Treasury Department, had been worked over in a previous small conference of treasury technicians from 34 nations. Their combined plan, made public April 21, 1944, was further revised at Bretton Woods.

The Bretton Woods plan proposes multilateral agreements among all the United and Associated Nations. It breaks entirely with the old Bank for International Settlements which had been handling the German reparation problem after World War I. It brings a new approach as an international project of governments concerned with promoting and maintaining high levels of employment and real income.

These proposals cannot become effective until they are officially accepted by the governments of the United Nations. They are not expected to solve automatically the problems of postwar international trade and investment but to provide a mechanism through which solution will be possible. Two financial agencies are proposed which would supplement one another. It is emphasized that neither one could operate effectively without the other.

**Stabilization Fund:** An International Monetary Fund of \$8,800 million would be created by subscriptions from participating governments. More than half would be supplied by three powers: United States (\$2,750 million), United Kingdom (\$1,300 million), Soviet Union (\$1,200 million). Through it any member nation whose citizens find it difficult to obtain foreign exchange required for payments due to another country will be entitled, as a matter of right, to borrow the foreign currency which it needs.

More important, the Fund would be responsible for watching commercial rates of exchange and using its capital to prevent sharp changes which might lead to crisis. It would be committed to assisting in correction of currency maladjustments "without resorting to measures destructive of national or international prosperity." Wage standards and mass purchasing power could not be sacrificed to support the stability of a member's currency.

**International Bank for Reconstruction and Development:** Parallel with the Fund, with its short-term operations, would be the International Bank to assure long-term capital for reconstruction and for industrial development. Of the \$10 billion of authorized capital, \$9.1 billion would be allotted among the 44 participating nations as soon as the Articles of Agreement are adopted. As with the Fund, more than half the capital

immediately subscribed would be supplied by the United States, United Kingdom and Soviet Union.

Each member country would put in immediately only 20% of its total subscription as a fund for loans by the Bank. It would be obligated for the remainder which would serve as the basis for guaranteeing foreign loans supplied by private bankers, in consultation with the Bank, for purposes of reconstruction or development.

The International Bank, declared Secretary of the Treasury Morgenthau, January 27, 1945, "is intended to give economic help to the people of war-torn lands. Only with such help will they be able to buy what we produce. The only good customers are prosperous customers."

### III. TRADE UNION DEVELOPMENTS

#### 1943 AFL CONVENTION

The 63rd convention of the American Federation of Labor took place in Boston, October 4-14, 1944.

Report of the executive council stated that the total paid membership of the affiliated national and international organizations and the directly chartered trade and federal labor unions as of August 31, 1943, was 6,564,141. This included 625,160 in the International Association of Machinists which had withdrawn from the AFL in May but which was readmitted during the convention.

Executive council was given "full and complete authority" to act upon the application for admission of the United Mine Workers of America which has been out of the AFL since 1938.

**President's Message:** In a message to the convention President Roosevelt expressed his gratification "at the splendid task that has been done by American wage earners in turning out the munitions and implements of war. The battle of production is being won in every shipyard, machine shop, factory and construction outfit in this country, and the skill, speed and adaptability of American working men and women have made possible the outfitting and equipment of our military forces in record time."

**International Labor Unity:** Although efforts had been made to have the AFL join with the CIO and the railroad brotherhoods in the establishment of world labor unity with British, Soviet and other trade union federations, the convention voted against this move. Following the example of previous conventions, it backed up Matthew Woll and his anti-Soviet associates in refusing to work with the trade unions of the U.S.S.R. on the ground that the latter are "instruments of policy of the Russian government."

**Negro Discrimination:** Although the convention endorsed the President's Committee on Fair Employment Practice its resolution merely urged again the adoption by all affiliates of the AFL's official non-discrimination policy. It refused to take any disciplinary action against any

affiliated union which persisted in practicing discrimination against Negroes. Some of the delegates condemned auxiliary local unions, in which Negroes are organized separately from white workers, as undemocratic and un-American. A list of AFL international unions which exclude Negroes from membership by provisions in their ritual, in their constitution, by segregated auxiliary or by tacit consent, was presented by Pres. Randolph of the Sleeping Car Porters.

**Postwar Policies:** The Convention adopted report of executive council calling for establishment of international machinery to eliminate causes of war and mold world will for peace. It asked for the strengthening of the good neighbor policy toward Latin America and the raising of living standards there.

**Wages and Wage Stabilization:** Executive council's report declared the AFL "agreed to wage stabilization as a war measure and the effectuation of wage stabilization agreements we believe is the key to stabilization of the work force. The wage policy now enforced is wage freezing, not stabilization, for stabilization implies adjustments regularly as needed to preserve balance. If this policy cannot be altered sooner, it will be wiped out with the restoration of normal work hours. The shift to 40-hour weeks must be without reduction in weekly earnings."

**War Labor Disputes Act:** This legislation, known originally as the Smith-Connally bill, said the executive council's report, "was born of hatred and malice on the part of reactionary congressmen for labor.... They desired to pass legislation which might induce labor to violate its pledge" and destroy its wartime no-strike record. Despite this provocation the AFL "has reiterated its 'no strike' pledge and has directed all of its affiliates to continue to comply therewith."

**Other Resolutions:** Convention urged Congress to abolish the poll tax; instructed its social security committee to prepare a campaign for expansion of social security legislation; backed the Wagner-Murray-Dingell social security bill; voted a national campaign against state anti-strike legislation; condemned the Hobbs "anti-racketeering" bill; and strongly opposed labor conscription. It opposed also the sales tax and supported "just and equitable taxation based on ability to pay."

On the other hand the convention upheld the executive council's endorsement of the infamous Dies Committee of Congress; refused to set up a committee within the AFL to investigate jurisdictional disputes; attacked wartime wage systems based on incentive pay; and continued its support of the Chinese Exclusion Act.

## 1944 AFL CONVENTION

The 64th convention of the AFL, held in New Orleans, November 20-30, 1944, was attended by over 600 delegates.

Total AFL membership as of August 31, 1944, was 6,806,913, an increase of nearly 143,000 in the last year. Membership has nearly doubled since 1936.

In addition to 100 national and international unions the AFL had 1,625 local trade and federal labor unions with an average membership for the fiscal year of 299,931, an all-time high for number of workers in these directly affiliated locals and a rise of more than 40,000 over 1943.

Report of executive council showed the following membership of the national and international unions affiliated with the AFL. This table is based on the voting strength of the unions for the year 1944, as well as 1942 and 1941. Union-by-union membership for certain earlier years has been given in *Labor Fact Books IV* and *V*.

### MEMBERSHIP OF NATIONAL AND INTERNATIONAL UNIONS AFFILIATED WITH AMERICAN FEDERATION OF LABOR

	1941	1942	1944
Actors, Associated, & Artists of Am.	14,800	19,000	16,000
Asbestos Workers' Int'l Assn.	4,000	4,000	4,000
Automobile Workers of America	26,100	36,800	50,700
Bakery & Confectionery Workers	84,400	91,900	89,700
Barbers' International Union	49,000	49,000	50,000
Bill Posters	3,000	3,000	1,600
Blacksmiths, Int'l Brotherhood of	5,000	9,200	10,000
Boilermakers & Iron Shipbuilders	42,600	90,300	336,900
Boot & Shoe Workers' Union	30,800	39,000	40,000
Bookbinders, Int'l Bro. of	21,900	27,100	28,900
Brewery Workmen, Int'l Union	42,000	a	a
Brick & Clay Workers, etc.	11,500	13,000	10,000
Bricklayers, Masons & Plasterers	65,000	65,000	65,000
Bridge & Structural Ironworkers	52,000	86,100	105,600
Broom and Whisk Makers Union	300	400	300
Building Service Employees	70,000	70,000	70,000
Carmen of America, Bro. Railway	65,000	70,000	95,800
Carpenters & Joiners, United Bro. of	300,000	366,700	600,000

**MEMBERSHIP OF NATIONAL AND INTERNATIONAL UNIONS AFFILIATED  
WITH AMERICAN FEDERATION OF LABOR (Continued)**

	1941	1942	1944
Carvers' Union, Int'l Wood	300	300	<sup>a</sup>
Cement, Lime & Gypsum Wkrs.	16,800	21,100	18,000
Cigarmakers' Int'l Union	8,700	10,000	10,000
Cleaning & Dye House Workers	16,400	16,900	17,100
Clerks, Int'l Protective Assn., Retail	85,400	100,000	100,000
Clerks, Post Office, Nat'l Fed. of	40,000	45,000	40,000
Clerks, Bro. of Railway	110,000	155,800	204,200
Coopers' Int'l Union	4,500	5,100	5,000
Diamond Workers' Protective Union	400	600	600
Distillery Rectifying & Wine Workers	3,300	7,000	10,000
Draftsmen's Union, Int'l	2,200	3,400	7,100
Electrical Workers, Int'l Bro. of	201,000	207,900	312,900
Elevator Constructors	10,200	10,200	10,200
Engineers, Int'l Union of Operating	80,000	80,000	100,000
Engravers, Int'l Union, Metal	300	300	<sup>a</sup>
Engravers, Int'l Photo	10,500	10,800	10,900
Fire Fighters, Int'l Assn. of	37,100	38,200	40,500
Firemen & Oilers, Int'l Bro. of	34,300	41,100	52,700
Garment Workers of America, United	40,000	40,000	40,000
Garment Workers, Int'l Ladies	225,000	225,000	237,500
Glass Cutters League of Am., Window	1,600	1,600	1,600
Glass Bottle Blowers' Assn.	20,000	20,300	24,000
Glass Workers, Amer. Flint	20,300	23,700	25,600
Glove Workers	1,900	2,800	3,100
Government Employees, Am. Fed. of	24,000	23,600	26,800
Granite Cutters' Int'l Assn. of Am.	5,000	5,000	4,000
Hatters, Cap & Millinery Wkrs. Int'l U.	32,000	32,000	32,000
Hodcarriers & Common Laborers	183,700	283,700	333,100
Horseshoers of U. S. & Canada	200	200	200
Hotel & Restaurant Employees, etc.	214,100	242,000	224,500
Jewelry Workers Int'l	5,500	8,300	6,900
Lathers, Int'l Union of W.W.	8,100	8,100	8,100
Laundry Workers Int'l Union	40,400	45,000	50,000
Leather Workers Int'l Union	2,900	3,300	2,800
Letter Carriers, Nat'l Assn. of	60,000	60,000	60,000

	<i>1941</i>	<i>1942</i>	<i>1944</i>
Letter Carriers, Nat'l Fed. of Rural	500	400	400
Lithographers' Int'l P. & B. Assn.	12,900	13,900	13,700
Longshoremen's Assn., Int'l	61,500	63,100	61,000
Machinists, Int'l Assn. of	221,800	328,500	665,900
Maintenance of Way Employees	65,700	96,900	116,900
Marble Polishers, etc., Int'l Assn. of	5,500	5,500	4,500
Masters, Mates & Pilots	3,000	3,000	3,000
Master Mechanics & Foremen of Navy	200	300	300
Messengers, Special Delivery	900	900	900
Meat Cutters & Butcher Workmen	84,900	94,800	100,500
Metal Workers' Int'l Assn., Sheet	20,000	20,400	25,000
Mine Workers of Am., Int'l Prog.	35,000	35,000	35,000
Molders Union of N. A., Int'l	42,100	62,100	65,700
Musicians, Am. Fed. of	100,000	100,000	100,000
Painters of America, Bro. of	104,900	122,600	139,700
Papermakers, Bro. of	25,800	27,100	34,400
Patternmakers' League of N. A.	8,000	9,700	11,000
Pilots Assn., Air Line	1,100	1,400	2,700
Plasterers' Int'l Assn. of U. S.	21,200	25,000	25,000
Plumbers, Steamfitters, etc.	45,400	52,500	130,000
Pocketbook & Novelty Workers	10,000	12,200	15,000
Polishers, Int'l Union of Metal	7,000	10,000	10,000
Porters, Bro. of Sleeping Car	7,200	7,700	9,000
Post Office & Ry. Mail Laborers	1,500	1,500	1,500
Potters, Nat'l Bro. of Operative	16,000	17,800	21,500
Powder & High Explosive Workers	100	200	b
Printing Pressmen, Int'l	45,700	47,600	49,300
Printers, Die Stampers and Engravers	1,000	800	1,100
Pulp, Sulphite & Paper Mill Wkrs.	44,200	56,700	61,300
Railway Employees' Amal., S. & E.	80,700	87,800	104,800
Railway Mail Assn.	22,700	22,900	21,800
Roofers, Damp & Waterproof Wkrs.	4,400	5,700	8,000
Seafarers Int'l Union of N. A. <sup>c</sup>	20,000	29,200	30,000
Sheep Shearers Union of N. A.	600	a	a
Siderographers, Int'l Assn. of	100	100	100
Spinners Union, Int'l	500	500	500
State, County & Munic. Employees	33,700	35,600	46,000

**MEMBERSHIP OF NATIONAL AND INTERNATIONAL UNIONS AFFILIATED  
WITH AMERICAN FEDERATION OF LABOR (Continued)**

	<i>1941</i>	<i>1942</i>	<i>1944</i>
Stage Employees, Int'l All.	42,000	42,000	42,000
Stereotypers & Electrotypers	8,600	8,800	8,800
Stonecutters' Assn., Journeymen	4,100	2,000	1,900
Stove Mounters' Int'l Union	5,300	8,000	8,000
Switchmen's Union of N. A.	8,000	8,500	9,300
Teachers, American Fed. of	26,700	22,900	25,200
Teamsters, Chauffeurs, etc.	408,300	505,600	629,200
Telegraphers, Commercial	4,000	7,100	18,700
Telegraphers, Order of Railroad	33,300	30,000	30,000
Textile Workers of America	15,200	35,300	37,200
Tobacco Workers Int'l Union	17,800	18,200	22,000
Typographical Union, Int'l	a	a	5,300
United Wall Paper Crafts	3,100	3,100	2,800
Upholsterers Int'l Union	16,000	16,000	25,000
Wire Weavers' Protective, American	400	400	400

a Suspended.

b Disbanded.

c Title changed from Int'l Seamen's Union of America.

**Jurisdictional Problems:** Convention discussed more than the usual number of disputes over jurisdiction. The biggest was that between the Machinists and the Carpenters, Operating Engineers and Street Railway Employees. The Machinists announced they were calling a special convention to protect their jurisdiction against the other three unions.

**Mine Workers:** AFL again showed its desire to have United Mine Workers reaffiliate "for the practical reason" that such action "would strengthen" the AFL while "proving helpful" to the UMW. The latter has about 600,000 members and includes practically all the coal miners in the country. It had left the CIO after the 1940 Presidential elections and has since been a non-affiliated organization. Leaders of the Progressive Miners Union, now affiliated to AFL, vigorously opposed admission of the UMW and its president John L. Lewis.

**Political Action:** Although the convention came within two weeks after the national election, no mention was made of President Roosevelt's victory and no message was sent him although he had addressed one to the convention. The question of political action, plans for "getting

out the vote" in future elections and maximum use of the ballot, was referred to the executive council.

**Pledge to Generals:** AFL unanimously continued its pledge not to strike in war time and pledged "every possible assistance in prosecuting the present war to a victorious conclusion." Telegrams were sent to Gen. Dwight D. Eisenhower and Gen. Douglas MacArthur, informing them of the action. Gen. Eisenhower greeted the convention through a message to Pres. Green stating: "All of us have complete confidence in American workers.... My personal thanks to you and to your organization for your help."

**Racial Discrimination and Bigotry Resolutions:** With some AFL affiliates still openly discriminating against Negroes, denying them membership or putting them in Jim Crow auxiliary locals, the convention again equivocated on this issue. It merely affirmed the "educational" resolution of the last convention, which simply expressed disapproval of discrimination.

Although a resolution declared for a permanent Fair Employment Practice Committee, it supported the executive council's opposition to clauses in pending FEPC bills which would prohibit unions as well as employers from discriminating against Negroes. Such legislation if passed would hit AFL affiliates that now indulge in discrimination.

A resolution condemning racial and religious bigotry was passed, but it provided no suggestions for combating it effectively through legislation making racial discrimination a penitentiary offense as some of the delegates had proposed.

**World Affairs:** A vaguely worded resolution on "world peace" lauded the International Labor Organization, and expressed fear that "it would be a serious mistake to delegate full responsibility for world peace to the diplomats and other statesmen."

**World Labor Action:** It adopted a committee report calling for a conference to revive the defunct International Federation of Trade Unions. At the same time it turned down invitation of the British Trades Union Congress to send delegates to World Congress of Labor in London in February, 1945. This action came after both British fraternal delegates, John Brown and Arthur Horner, had urged the importance of an all-inclusive United Nations labor federation. As Horner put it, "In Britain we take the view that if we fight for unity between all states despite differences of social systems, so we might fight for a united trade union movement in every country and on a world scale."

Convention likewise authorized the executive council to call a conference of Western Hemisphere unions, an attempt, as the *New York Times* reporter put it, "to revive the moribund Pan-American Federation of Labor." The purpose of this move would be to offset the growing influence of the Confederation of Latin American Workers. (See Chapter VIII.)

**Co-ops:** Five pages in the executive council's report were devoted to a description of the growth of consumers' co-operative movement in United States. It stated that co-ops "are a very healthful influence in improving the position of the members of organized labor in his efforts to improve wages and working conditions." It reported that it had an incomplete record "of 46 successful co-operative stores where our members sit on the board of directors or otherwise take an active part in directing policies.... Through co-operatives American workers can reduce the cost and raise the quality of the things they need for living, just as farmers have done."

Convention created a Department of Consumers' Co-operation to aid locals in setting up co-operatives and called for close collaboration with the Co-operative League of the U. S. A.

**Un-American Committee:** Although repudiated by the American people, with most of its members discredited and beaten at the polls, the Dies Committee, devoted mainly to smearing the Roosevelt administration, was voted a clean bill of health. This Congressional committee, said the executive council's report, "has done excellent work over a period of years.... At present it is engaged in investigating the Political Action Committee of the CIO."

**Social Insurance:** A program to improve and extend social security and unemployment insurance legislation was passed, along with a resolution endorsing the Kilgore-Truman-Murray unemployment compensation bill to aid war workers in the reconversion period.

**National Labor Relations Act:** AFL continued its drive to amend this Act in order to give craft unions a better opportunity to split up the collective bargaining units of the workers and thereby weaken the position of the CIO. At the same time it denounced the NLRB as favoring the CIO in its decisions.

**Some Other Actions:** Other resolutions called on the President to revise the Little Steel Formula; favored the rehabilitation of disabled veterans; called for a Supreme Court test of the various state anti-labor laws; asked for a concerted drive in favor of legislation to raise the

minimum standards under the Fair Labor Standards Act; backed recent Supreme Court decision illegalizing white primaries in Texas; demanded representation for AFL at various peace conferences to follow the war; asked immediate repeal of War Labor Disputes Act and repeal of the ban on political contributions by trade unions; adopted a report by its postwar planning committee which declares that goal of 60 million jobs is possible with a national income of \$173 billion a year; called for 30-hour week after the war to spread employment; and declared itself in opposition to the poll tax.

### 1943 CIO CONVENTION

The Sixth Convention of the Congress of Industrial Organizations took place in Philadelphia, Pa., November 1-5, 1943, attended by 526 delegates representing 38 national and international unions and organizing committees, one co-ordinating committee, 32 state industrial union councils, 127 city and county industrial union councils and 156 directly affiliated local industrial unions.

Membership reported by the CIO for August, 1943, was 5,285,000, including the increase in the Canadian membership, or 1,135,386 more than a year before.

Largest CIO unions in 1943 were Automobile Workers with 1,090,503 members, United Steelworkers with about 900,000, and Electrical, Radio and Machine Workers with nearly 600,000.

Reports showed that the Steelworkers had organized 333 new local unions in the past year and added over 183,000 new members, not counting over 200,000 in the armed forces. Electrical workers added over 146,000 during the year and then had 970 collective agreements covering 575,000 employees. Automobile Workers had over 1,475 plants under contracts covering an estimated 1,200,000 workers.

**NLRB Elections:** During the period July 1, 1942, to June 30, 1943, the CIO participated in 2,304 elections held under the auspices of the National Labor Relations Board to determine collective bargaining representatives. The CIO won in 1,752 of these elections. It polled 503,718 votes during this period compared with 389,738 votes polled by all competing unions.

**Labor Disputes:** Convention declared: "We must recognize that the enemies of our war effort are constantly seeking to provoke labor into engaging in strikes, such as through the enactment of the Smith-Con-

nally [War Labor Disputes] Act, and that there are employers who for their own personal profit may endeavor to take advantage of our war situation and attempt to exploit labor regardless of the impact of their policies upon the war effort."

Despite this fact "the CIO hereby reaffirms its solemn pledge without any qualifications or conditions that for the duration of the war there must not be any strike or stoppage of work."

"We must recognize," continued the resolution, "that for the duration of the war, issues in dispute between labor and management must be adjusted through the peaceful means of collective bargaining, mediation, or through disposition by the National War Labor Board."

**War Job:** Praise went to the CIO workers for their part in the war job on the home front. President Roosevelt, in a message to CIO President Murray, said: "I am appreciative also of the participation of American workers in every aspect of the war effort, as well as in that most important part which they take on the production lines. They have made a splendid contribution through the purchase of war bonds, both out of their own union treasuries and by their individual purchases."

Convention in turn reaffirmed its "whole-hearted and unreserved support of our Commander-in-Chief and his victory policies," and made a pledge "to intensify our efforts" to deliver more tanks, planes, guns, food and troops "to speed the unconditional surrender of our enemies."

**National Wage Policy:** Convention went on record for the elimination of the so-called Little Steel formula as "no longer in accord with reality." It urged that "the sound and tested processes of collective bargaining must be freed to secure the elimination of inequalities and inequities in wage structures and to bring about, where feasible, industry-wide stabilization of wage structures on the basic principle of equal pay for the same work."

To obtain a truly stabilized national war economy these wage objectives, said the resolution, must be combined with a determined insistence upon a vigorous price control policy, overall rationing, and "a firm taxation policy calculated to raise the funds necessary for victory out of the luxury living levels reflected in corporate profits and high income brackets and not out of the food budgets of the workers."

**International Labor Unity:** President Murray was authorized to communicate immediately with the heads of AFL, rail brotherhoods and other trade union federations of the United Nations "to convey the urgent desire of the CIO to associate with these labor organizations in

the convening of an international trade union conference of representatives of the labor movements of all the United Nations."

Special attention was given to co-operation with the labor movements of the Latin American countries and their confederation, the CTAL. The convention commended the work of the special committee previously established to extend co-operation and understanding between the CIO and these movements. In this connection the "Nazi policies of the Argentine government in dissolving the labor movement of that country" were specifically condemned for "every fascist step taken in any Latin American country is a direct blow against the democracy of our nation and therefore must be prevented."

**Program for Servicemen:** Convention urged immediate preparation of demobilization plans by federal agencies so that the return of servicemen and those in the merchant marine would be speeded after the war. It endorsed the widespread policy of CIO unions to include in agreements provisions protecting the seniority and position of workers in military service and in the merchant marine. It supported the President's proposal for a well-planned program to help veterans get the kind of education they need, and urged that disabled veterans and seamen be protected by regular allowances for themselves and dependents, training benefits and special consideration in employment. It supported full protection of dependents of servicemen and seamen killed or incapacitated in the war, including an education for minor dependents. Finally, it pledged the CIO to work for jobs for all ex-servicemen and seamen.

**Political Action:** A full statement on political action analyzed the forces that dominated the 78th Congress and exposed the anti-labor groups that threatened the home-front program of economic stabilization. It pointed out the results of labor's political apathy in the 1942 elections.

It approved the action taken by CIO executive board at its meeting July 7, 1943, in establishing a Political Action Committee, and opposed the formation of a third party in the 1944 election campaign, a move which would, at this time, "only serve to divide labor and the progressive forces and assure the election of our political enemies."

The resolution said: "Our primary task in the political field today is to weld the unity of all workers, farmers and other progressives behind candidates, regardless of party affiliation, who are committed to our policy of total victory and who fully support the measures necessary to achieve it and to lay the basis for a secure, peaceful, decent and abundant postwar world."

**Some Other Resolutions:** Convention hailed the "inspiring decisions of the historic Moscow conference." It called upon the U. S. State Department to give labor real participation in its affairs and to appoint labor attaches to American Ambassadors in foreign countries.

It voted for repeal of the War Labor Disputes Act and the Oriental Exclusion Act. It urged a favorable Senate vote on the anti-poll tax bill and reaffirmed its opposition to any form of racial or religious discrimination, commending the work of the Fair Employment Practice Committee.

It urged appropriation of adequate funds for the enforcement of OPA regulations and the extension of price control and rationing. It backed a system of subsidies to farmers to assure them increased income for higher production of basic crops. At the same time it outlined a comprehensive tax program designed to obtain the funds needed for the war, to "protect the health and working efficiency of those who produce the munitions of war, and to deny anyone the opportunity of reaping profits during our war."

It urged also the expansion of the work of the Combined Labor Victory Committee in the interests of labor unity and the strengthening of the war effort; endorsed the social security program embodied in the Wagner-Murray-Dingell Bill, and outlined the essentials of a basic post-war plan for America.

### 1944 CIO CONVENTION

The Seventh Convention of the CIO met in Chicago, November 20-24, 1944, with 567 delegates present. Membership was estimated at approximately six million, including about 1¼ million in the armed forces.

Although no detailed union-by-union membership list was released we have prepared the following table on the basis of representation at the convention, plus more exact figures obtained in some cases from individual unions:

#### APPROXIMATE CIO MEMBERSHIP, 1944

Architects, Engineers, Chemists & Technicians, Federation of Automobile, Aircraft, Agricultural Implement Workers of America, United	8,500
Barbers & Beauty Culturists of America	1,200,000
Clothing Workers of America, Amalgamated	5,500
Communications Association, American	275,000
	18,000

Electrical, Radio & Machine Workers of America, United	550,000
Farm Equipment & Metal Workers of America, United	72,000
Federal Workers of America, United	25,000
Fishermen & Allied Workers of America, International Union of	10,000
Food, Tobacco, Agricultural & Allied Workers Union of	
America	50,500
Fur & Leather Workers Union, International	90,000
Furniture Workers of America, United	45,000
Gas, Coke & Chemical Workers of America, United	30,000
Glass, Ceramic & Silica Sand Workers of America, Federation of	30,000
Inlandboatmen's Union of the Pacific	3,000
Longshoremen's & Warehousemen's Union, International	50,000
Marine Cooks & Stewards Association, National	6,000
Marine Engineers Beneficial Association, National	11,000
Marine & Shipbuilding Workers of America, Industrial	
Union of	400,000
Maritime Union of America, National	85,000
Mine, Mill & Smelter Workers, International Union of	150,000
Newspaper Guild, American	21,000
Office & Professional Workers, United	55,000
Oil Workers International Union	53,000
Optical Workers Organizing Committee	5,000
Packinghouse Workers of America, United	92,000
Paper Workers Organizing Committee	12,000
Playthings, Jewelry & Novelty Workers Union	12,000
Retail, Wholesale & Department Store Employees of America,	
United	120,000
Rubber Workers of America, United	200,000
Shoe Workers of America, United	65,000
State, County & Municipal Workers of America	44,500
Steelworkers of America, United	1,000,000
Stone & Allied Products Workers of America, United	6,000
Textile Workers Union of America	325,000
Transport Service Employees of America, United	15,000
Transport Workers Union of America	95,000
Utility Workers Organizing Committee	35,000
Woodworkers of America, International	60,000

In his report to the convention Pres. Murray said that the total increase in membership since the last convention amounted to 650,000 and that organization gains had been made, for example, by such unions as the following:

Auto Workers in the year to June 30, 1944, had increased its membership by some 300,000, scored 297 labor board election victories and then had 1,671 plants under contract.

Steelworkers had added 312 new locals and had amalgamated with the Aluminum Workers. "The steel industry is virtually organized."

Electrical, Radio and Machine Workers showed that average monthly membership increased by 51% between 1943 and 1944 and reported winning 199 elections involving 78,806 workers.

Rubber Workers had gained about 80,000 new members during the year and the Textile Workers had added 103 new agreements covering 31,000 workers.

Shipbuilding Workers, sixth in size among CIO unions, had added 150,000 workers during the year, while the Clothing Workers added 25,000 in newly organized shops. In the leather division of the Fur and Leather Workers alone the membership had grown from 5,000 to 40,000 workers in five years.

Similar reports came from the other unions. Altogether the CIO now has 39 national and international unions and organizing committees and 292 local industrial unions, along with 232 city and county industrial union councils and 36 state industrial councils.

**Industrial Union Councils:** The report noted the fact that these city and county councils had participated more and more actively in the work of municipal government and local social service organizations and were consulted by local political leaders on fundamental questions of policy. They have also directed their attention more to problems of postwar planning in the communities and have supported or set up counseling systems to give workers help on personal problems "arising out of their efforts to adjust in the community. They are concerned with child care, schooling, transportation, housing, shopping facilities, and all the other daily problems of the workers."

**No-Strike Pledge:** Stressing national unity in his report, Pres. Murray declared: "History will record the remarkable self-discipline imposed by labor while maintaining its 'No-Strike' pledge in the face of any and all provocative acts. Until we have accomplished the complete and absolute destruction of the German and Japanese military forces there can

be no question of our basic responsibility to the nation to continue intact our 'No-Strike' pledge."

In a strong unanimously voted resolution backing this position, the convention declared: "Each member and leader of organized labor must make it his responsibility to discharge with scrupulous care this sacred obligation."

**Production for Victory:** Lt. Gen. Brehon B. Somervell, in charge of army supplies, read a message from Gen. George C. Marshall which said: "The record in the greatest production race in history represents a tremendous accomplishment. You have made possible the overwhelming superior supplies and equipment that has enabled our Army and those of our Allies to wrest the initiative from the enemy in every theater of war."

Gen. Somervell told the delegates that Hollywood itself "has no adjectives stupendous enough to describe" the production job being done by labor. "Every victory we have won had its beginning in the work of the men and women you represent."

In response to these and other messages, one from President Roosevelt, the convention declared in a pledge to the latter that "we shall maintain and where possible increase our effort to produce and produce the military supplies for our armed forces"; it pledged also unwavering support to the Commander-in-Chief "to accomplish the utter destruction of Hitler Germany and Japanese imperialism, the abolition of every vestige of Fascism, and establish a lasting peace with security and prosperity for our peoples and for the peoples of the free world."

**Permanent PAC:** One of the most important resolutions of the convention continued the CIO's Political Action Committee (see Ch. IV) as a permanent political instrument and instructed this committee, headed by Sidney Hillman, to begin immediately preparations for participation in local elections in 1945 and the Congressional and state elections of 1946.

Affirming that labor has no interests apart from the people's welfare, it declared one of the immediate tasks of CIO is to "promote united action in the political field in collaboration with other organizations of labor, progressive groups, and forward looking leaders of the two major parties." Another major task is "to continue and intensify the work of securing the fullest possible exercise of the right of franchise by organization for a maximum registration and vote" in all future elections.

The convention called upon AFL and railway labor unions to unite

behind a common legislative program in order to mobilize labor's complete strength with all other progressive forces to carry out the mandate of the people as decisively recorded in the election of 1944.

**Sixty Million Jobs and Prosperity for All:** This was the title of a key resolution relating to the future development of the American and world economies. It offered the co-operation of the CIO with forward-looking elements in the business and farm fields to work to secure for all the benefits of the President's Economic Bill of Rights.

It renewed the proposal for a national production council of representatives of industry, labor and agriculture within the Office of War Mobilization and Reconversion to obtain "effective co-ordination and centralized control of cutbacks, redistribution of war contracts, and maximum production of civilian goods." It also covered concrete plans for the proper disposal of surplus property, provision for workers in the period of transition, establishment of public works and other centrally planned measures for easing the transition to peacetime production on a full-employment basis. It called for the expansion of foreign trade and the industrialization of previously undeveloped countries. The central purpose of this program is expansion of mass purchasing power in the domestic market and the freeing of all peoples from fear and want. (See Ch. IV.)

**Tax Plan:** A well-rounded tax plan for the reconversion and postwar periods was presented in Pres. Murray's report and the convention declared that "the major guiding principle for a national tax program must be maintenance and extension of purchasing power of the people." (See Ch. II.)

**Labor-Veteran Solidarity:** O. B. Ketchum, national legislative representative of the Veterans of Foreign Wars, representing about a million overseas servicemen and veterans, addressed the convention, declaring that the record of labor in the war "is exceptionally good."

Resolution on servicemen declared that "the interests of veterans returning from the fighting fronts are identical with those of workers at home." It recommended that affiliates provide in agreements "that veterans who are employed for the first time in their plants be accorded cumulative seniority rights for the time spent in service since September 1, 1940," the date the draft act was passed. It stated that the CIO would, of course, continue the present practice of waiving initiation fees for veterans, and declared it would "protect the accrued seniority of veterans who upon their discharge from the service seek to return to their jobs."

It called for the liberal interpretation of the G. I. Bill of Rights "so that every returning serviceman and woman can easily obtain education, financial and employment opportunity." And it urged all its unions on a local and national basis to aid veterans in securing jobs, in obtaining the benefits to which they are entitled under various laws and "in securing all needed aid in retraining, rehabilitation, and other measures to promote a secure and easy return to civilian life."

**Anti-Semitism:** The vigorous resolution on this subject declared "Anti-Semitism seeks to undermine the very foundations of the trade union movement. Anti-Semitism threatens the unity and democracy of the entire American nation and the freedom of people.... The horrible years of the Hitler terror have taught decent men and women the world over that anti-Semitism is one of the foulest instruments ever devised to enslave and crush nations."

Then, referring to the election campaign of 1944, the resolution said: "We cannot and must not forget that the reactionary leaders of the Republican Party did not hesitate to use the fascist technique and dangerous doses of anti-Semitism. The Hitler slogan about a 'Jewish' control of the White House emanated from Republican headquarters throughout the campaign."

The convention went on record for the Lynch Bill (H.R. 2328) to bar anti-Semitic and racist matter from the United States mails. It urged the adoption of the Dickstein Joint Congressional Resolution which incorporates President Roosevelt's conclusion that anti-Semitism is "Hitler's game." And it pledged support for the enactment of a federal law which would make anti-Semitism a crime, punishable by imprisonment.

**Negro Discrimination:** Convention affirmed its unwavering opposition to discrimination against the Negro people or the people of any other minority. It recommended that affiliated unions seek to have incorporated in their collective agreements "a provision that no person seeking employment shall be discriminated against because of race, creed, color or place of origin."

It called for a permanent Fair Employment Practice Committee with that agency given full authority to enforce its decisions. It declared that "Jim Crowism... and any other form of discrimination and bigotry must be excised from our national life."

**Destruction of Nazis and Japanese Imperialism:** "There can and must not be any negotiated or soft peace," declared another resolution which supported the Dumbarton Oaks and Bretton Woods international

conferences. It declared that "the wide area of agreement" among the four great Allied powers "is the strongest assurance of success since a lasting peace must be based upon their continued and firm determination to act together and united." It asserted that Franco Spain, "the ally of Hitler and Mussolini," should not be permitted to enter the United Nations and the "people of Spain must be protected and assisted in their desire for freedom and a democratic government." At the same time it stated that the peoples of India, Ireland, Africa and Asia "should be provided the maximum opportunity to manage their own affairs with a view toward achieving self-government and the right of self-determination."

**World Organization:** The convention approved Pres. Murray's action in accepting the invitation of the British Trades Union Congress to send delegates to a world labor conference in London in February, 1945, and also to a preliminary conference in London in December, 1944, of the trade union movements of Britain, U. S. and the USSR. It declared that the CIO supports the formation of a new single powerful international labor body that shall include all the unions of free countries on a basis of equality, "excluding none and relegating none to a secondary place." (See below p. 199; section on World Trade Union Conference.)

It stated that "the re-emergence of organized labor in the liberated countries of Europe, first as the spearhead of various resistance movements and then as a vital partner in the rebuilding of free institutions, has underlined the importance of our co-operation with them."

At the same time the convention urged "deepening and extending the co-operation and understanding between the CIO and the labor movements of the Latin American countries and their confederation, the CTAL." It commended the work of the special committee established for this purpose at the last convention. It recognized that the Good Neighbor policy of the U. S. government toward Latin American countries should be directed toward an improved standard of living for their peoples, which "can be assured only through the strengthening and expansion of the trade union movement of those nations."

**Other Resolutions:** Convention called upon members of the National Labor Relations Board to pursue a policy consistent with the basic principles of the Wagner Act and to stop attempting to appease those who through their attacks and pressures on the Board seek to destroy the legislation.

Condemned the National War Labor Board in refusing to recommend to the President revision of the Little Steel formula and thus "bring

wages in realistic alignment with the sharp rise in the cost of living." Suggested streamlining of the Board's procedure with a view to eliminating delays in its handling of cases, and urged Board to determine all issues referred to it such as guaranteed employment, group insurance, sick leave and dismissal pay.

Demanded the strict enforcement of price control and rationing as far as needed to prevent inflation during the period of reconversion and demobilization.

Called for the extension of equal pay to women for equal work in all plants under CIO contract, and enactment of uniform state legislation prohibiting discrimination against women workers in the payment of wages.

Urged continuation of U. S. Employment Agency as a national agency responsible in the solution of national employment problems, and the continuation of labor-management production committees in plants to deal with reconversion problems.

Asked Congress to repeal the War Labor Disputes Act and urged enactment of legislation outlawing the poll tax and eliminating the "many unnecessary obstacles which now beset American citizens with regard to registration and voting." Called for a halt to deportation proceedings against Pres. Harry Bridges of International Longshoremen's & Warehousemen's Union.

## RAILROAD LABOR DEVELOPMENTS

Of the 1,400,000 employees on Class I railroads, as of November, 1944, all except about 70,000 were covered by union agreements. About 95% of railway wage-earners were working under contracts.

Membership figures for the "big four" unaffiliated unions were reported in October, 1944, as follows: Locomotive Engineers, 76,000; Railroad Trainmen, 210,570; Locomotive Firemen & Enginemen, 119,686; Railway Conductors, 36,000. Brotherhood Railway Carmen (AFL) reported 125,000 members. Fourteen other unions, included in the Railway Employees Department of the AFL, contained large numbers of railroad workers.

**Wage Gains:** After many months of negotiations and hearings before emergency boards, railroad workers in January, 1944, gained wage increases of 4¢ to 10¢ an hour, totaling about \$360,000,000 a year. A strike on all roads was threatened in December, 1943, over delays in arbitra-

stration. On December 27, the government took possession of the roads which were operated by the Army until January 18, 1944.

Railwaymen are one of the largest groups of employees not covered by the hours provision of the Fair Labor Standards Act. Of the 9¢-an-hour wage rise for operating men, 5¢ was granted as a substitute for overtime after 40 hours work per week and for away-from-home expenses. Members of operating units also gained annual vacations of one week (seven days) with pay at the basic hourly rate of employment. Non-operating unions had previously gained this benefit.

**RR Social Insurance Bill:** Amendments to the Railroad Retirement Act and the Railroad Unemployment Insurance Act were put before Congress in a measure known as the railroad social insurance bill (S. 293 and H.R. 1362 in 79th Congress.) First introduced in May, 1943, by Sen. Robert F. Wagner (D., N.Y.), as prepared by the railroad brotherhoods and the RR Retirement Board, it calls for increased disability allowances, longer duration of unemployment benefits, survivors' benefits, maternity benefits for women employees and insurance for non-occupational illness and accidents. (See Labor Research Association's *Railroad Notes*, June and December, 1944.)

Employers would continue to pay 3% for unemployment compensation under this bill. All the rest of the tax for insurance benefits would be divided equally between employers and employees, starting at 5½% and rising to 6¼% after six years.

## WOMEN IN TRADE UNIONS

Some 3,500,000 women were members of trade unions at the end of 1944 compared with only about 800,000 in the prewar year, 1938. This estimated membership represents less than 20% of the 18,600,000 women employed in all industries in October, 1944. It includes those in AFL, CIO and independent unions.

United Automobile Workers (CIO) reported in December, 1944, that it had from 250,000 to 300,000 women members, representing over one-fifth of its total membership. At the UAW's 1944 convention, however, there were only about 30 women among the more than 2,000 delegates present.

United Electrical Workers (CIO) estimated in December, 1944, that about 250,000, or 40%, of its members were women. This union, moreover, has developed many women for leadership so that by the end of

1944 it reported that women made up more than a third of its organizing staff. Ruth Young, executive secretary of UE's big district 4, was elected to the national union's general executive board in November, 1944.

Other CIO unions are bringing forward able women members as national leaders. (See p. 74.) At the 1944 convention of the United Federal Workers (CIO), Eleanor Nelson was elected president—the first time in American labor history that a woman had been elected president of a national union. She had already served for two years as the first and only woman on CIO's national executive board. Elected to represent the Federal Workers of which she was at first secretary-treasurer, she is still the only woman on the CIO board.

The AFL has no woman as yet on its executive council. The Ladies Garment Workers (AFL) dropped its one woman executive board member at its 1944 convention, although more than half of its members are women.

The Boilermakers & Iron Shipbuilders (AFL) at its national convention in February, 1944, amended its constitution to admit women to full membership. The change affected about 40,000 women working on important war jobs as welders, drillers and burners.

**Women's Seniority:** On the difficult problem of seniority, some unions have accepted a separate or dual seniority list for women workers. After a study of seniority provisions in union contracts, the U. S. Women's Bureau in *A Preview as to Women Workers in Transition from War to Peace* (1944) reported: "It is very likely that the plant seniority practices under the clauses of many union agreements give women workers very inadequate protection."

Some agreements definitely provide that women's holding of jobs formerly held by men shall be for the duration only. Other agreements give women employed at time of signing the agreement full seniority rights with men, but for women employed after that time set up a list for women separate from that for men. Some contracts provide for the seniority of women as "separate and distinct from the seniority of men." Agreements fixing seniority by department only, may effect women and men quite differently. Other agreements are so vaguely worded as to permit interpretations that are of disadvantage to women.

The Automobile Workers (CIO) held a special conference in Detroit, December, 1944, at which it was recommended that no separate seniority lists be maintained for women as distinct from men. This conference also

recommended that union officials adhere strictly to fair seniority contract provisions in transfers, layoffs and rehires.

**Labor's Program:** At its 1944 convention the CIO went on record for the following program in relation to women in industry: (a) Extension of equal pay for equal work to all plants under CIO contract and enactment by the states of a uniform law prohibiting discrimination against women employees in payment of wages; (b) Provision in collective bargaining agreements for adequate rest and lunch periods, maternity leave without loss of seniority and group insurance including maternity benefits; (c) Further development of community activities for child care centers, adequate housing, especially for migrant women workers, and proper and extensive recreational facilities; (d) Expansion of special educational programs for women by unions, to bring them into positions of greater responsibility and leadership; (e) Protection of women's employment rights through the seniority clauses of union contracts.

The AFL at its 1944 convention recommended that special attention be given to the organization of women and that they be aided in obtaining agreements assuring them of equal pay for equal work.

**Auxiliaries:** With the growth of trade union membership during 1943-44, women's auxiliaries for wives, mothers and sisters of union men increased their activity. The Union Label Trades Department (AFL) at the 1944 convention reported for the American Federation of Women's Auxiliaries that they had been active in war relief, war bond sales, enforcement of OPA price regulations and other campaigns.

About 70 delegates attended the fourth annual conference of the CIO Congress of Women's Auxiliaries held in Chicago in November, 1944. They reported on political activities for the re-election of President Roosevelt, support of price control measures, work for the expansion of child care, for abolition of the poll tax, and for a permanent Committee on Fair Employment Practice. Their work was praised by CIO Pres. Philip Murray as "the strong arm of the CIO."

CIO auxiliaries are represented on the national commission on children of the Children's Bureau and representatives of the AFL, CIO and railroad brotherhood auxiliaries serve on OPA's national consumers advisory committee.

## TRADE UNIONS AND THE NEGROES

Negro trade union membership has kept pace with increased employment of Negroes in industry. While the exact number of Negro trade union members is not known, we estimate the total number as about 850,000 in December, 1944. Of these some 350,000 belong to the AFL, more than 425,000 to the CIO, 50,000 to the United Mine Workers, and some 25,000 to other unaffiliated organizations.

The figures in the table below, unless otherwise indicated, are based on estimates received from the individual unions in December, 1944. Figures marked <sup>a</sup> are our own, based on the proportion of Negroes employed in the industry. Figures marked with <sup>b</sup> represent estimates for December, 1943, and are taken from the *Negro Handbook, 1944*:

CIO unions	Negro members
Steelworkers of America, United	95,000
Automobile, Aircraft, Agricultural Implement Workers of America	90,000
Marine & Shipbuilding Workers of America, Industrial Union of	40,000 <sup>a</sup>
Electrical, Radio & Machine Workers of America, United	40,000
Packinghouse Workers of America, United	22,500
Mine, Mill & Smelter Workers, International Union of	20,000
Clothing Workers of America, Amalgamated	15,000 <sup>b</sup>
Federal Workers of America, United	10,000
Fur & Leather Workers Union, International	8,000-10,000
Transport Service Employees of America, United	10,000 <sup>a</sup>
Maritime Union of America, National	8,500
Textile Workers Union of America	6,500
Food, Tobacco, Agricultural & Allied Workers Union of America	6,000 <sup>a</sup>
Longshoremen's & Warehousemen's Union, International	13,000
Retail, Wholesale & Department Store Employees of America	6,000
Furniture Workers of America, United	6,000 <sup>b</sup>
Woodworkers of America, International	3,000
Transport Workers Union of America	3,000
Farm Equipment & Metal Workers of America, United	3,000 <sup>a</sup>
State, County & Municipal Workers of America	2,800
Playthings, Jewelry & Novelty Workers Union	2,500

<i>AFL unions</i>	<i>Negro members</i>
Hodcarriers & Common Laborers	55,000 <sup>b</sup>
Hotel & Restaurant Employees, etc.	35,000-40,000
Building Service Employees	35,000
Maintenance of Way Employees, Bro. of	25,000
Meat Cutters & Butcher Workmen	25,000
Railway Clerks & Freight handlers	12,000 <sup>b</sup>
Teamsters, Chauffeurs, etc.	15,000 <sup>b</sup>
Boilermakers & Iron Shipbuilders (Jan. 1944)	14,000
Laundry Workers Int'l Union	12,000 <sup>b</sup>
Longshoremen's Assn, Int'l	10,000 <sup>a</sup>
Garment Workers, Int'l Ladies	10,000
Tobacco Workers Int'l Union	9,100
Porters, Bro. of Sleeping Car	8,500 <sup>a</sup>
Musicians, Am. Fed. of	4,500
Carmen of America, Bro. R'way	4,500
Carpenters & Joiners, United Bro. of	3,000 <sup>b</sup>
Bricklayers, Masons & Plasterers	3,000 <sup>b</sup>
Printing Pressmen, Int'l	3,000
Cement, Lime & Gypsum Workers	3,000
Pulp, Sulphite & Paper Mill Workers	2,000
Painters of America, Bro. of	1,500 <sup>a</sup>
Cigarmakers Int'l Union	500
Brick and Clay Workers, etc.	500
Glass Workers, Amer. Flint	400
<i>Other unions</i>	
United Mine Workers	50,000

**Union Officers:** Negroes hold offices in many local unions, both CIO and AFL, and also hold national offices in a number of unions. The *Negro Handbook, 1944* lists 11 Negroes holding executive offices and executive board membership in CIO unions in 1942-43, and six Negroes holding such offices in the AFL. In addition, a number hold other responsible national offices. Robbie Mae Riddick, elected International Vice-President of the Food, Tobacco, Agricultural and Allied Workers of America (CIO) in December, 1944, is probably the first Negro woman

to be elected to the executive board of any national union and one of few American women to serve in such a capacity.

**CIO and AFL:** The CIO has set a record for championing the rights of Negroes to employment, training, up-grading and promotion. United Auto Workers, in an industry employing few Negroes before the war, has carried on a broad program to educate its white membership on the importance of Negro rights.

Many AFL unions do not discriminate in any way. Discriminatory practices are resorted to by such important unions as the Machinists and the Boilermakers. The Machinists hold contracts for 30-40% of the airframe workers (exclusive of those employed in plants converted from automobiles for the war period). And the Boilermakers cover about two-thirds of the workers in shipyards under contract with the AFL Metal Trades Council, which bargains for more than a third of the nation's shipbuilders.

Negroes are excluded from the Machinists by provision in ritual and from the following AFL unions by provisions in their constitutions: Airline Pilots; Masters, Mates and Pilots; Railway Mail Association; Switchmen's Union; Wire Weavers Protective Association.

Negroes are admitted only into auxiliary segregated locals with limited rights in the following: Blacksmiths & Drop Forgers; Boilermakers, Iron Shipbuilders and Welders; Railway and Steamship Clerks, Freight Handlers, etc.; Rural Letter Carriers; Sheet Metal Workers; Railway Carmen. At its convention in January, 1944, the Boilermakers voted to allow its auxiliary members voting representation in local councils and national conventions.

A number of other AFL unions customarily maintain segregated locals including the Maintenance of Way Employees; Carpenters; Painters, Decorators and Paperhangers. These unions, however, have mixed locals in some parts of the country.

Five other AFL unions still discriminate against the admission of Negroes by "tacit consent," although they have some Negro members. These are the Asbestos Workers; Electrical Workers; Flint Glass Workers; Granite Cutters; Plumbers and Steamfitters.

Seven unaffiliated railroad unions exclude Negroes by constitutional provisions: Locomotive Engineers; Locomotive Firemen and Engine-men; Railroad Trainmen; Railroad Yardmasters (two unions); Railway Conductors; Train Dispatchers. Negroes have segregated status in the American Federation of Railroad Workers.

These facts on discrimination are taken chiefly from the proceedings of the 1943 and 1944 conventions of the AFL.

**Court Decisions:** The California Supreme Court ruled unanimously on January 2, 1945, that a trade union must admit Negroes to full membership or not try to enforce a closed shop. The case involved Local 6 of the Boilermakers (AFL). Negro workers had refused to join the local because they would have no voice or vote in its affairs. The court declared that such discrimination against Negroes is "contrary to the public policy of the United States and this state."

The U. S. Supreme Court ruled in December, 1944, that a union chosen as bargaining agent under the Railway Labor Act must represent all employees engaged in the work covered by the union, without discrimination because of race or nonmembership.

### GROUP INSURANCE PLANS

During the past two years trade unions have been demanding the inclusion of group insurance plans in their collective bargaining agreements. Union work in this field has improved the plans, increased the amount of employer contributions toward such plans, and greatly increased the number of workers covered by comprehensive group insurance providing death benefits, weekly disability benefits, hospitalization insurance and surgical care.

The Institute of Life Insurance has estimated that 15.5 million American workers would be covered by a total of \$25.8 billion of group life insurance by the end of 1944. This represents an increase of 12% over 1943 and 43% since 1940. The total would include approximately 40% of all civilian non-agricultural workers in wartime America. (Earlier data on group insurance were given in *Labor Fact Book 6*.)

Reports from major insurance companies in November, 1944, indicated that a total of 6,500,000 workers in 17,000 employer units were covered by group accident and sickness plans underwritten by private insurance companies. Some 4,300,000 employees in 15,000 employer units were covered by group hospitalization insurance with private insurance carriers.

The same reports estimate that 75% to 80% of those covered by hospitalization insurance through insurance companies are also covered by surgical benefit plans. In addition, some 16,000,000 Americans are covered by hospitalization service furnished through the non-profit Blue

Cross plans of various states. This figure includes children and other non-wage earners.

**Union Plans:** When wage stabilization orders were established in 1942, many progressive unions began to seek non-inflationary means of improving the conditions of their members. New group insurance plans were written, and many existing plans were expanded and improved. The Trade Union Agency, a national organization with headquarters in New York, by the end of 1944 had helped to negotiate comprehensive plans covering approximately 500,000 workers. The TUA as a consultant to trade unions pioneered in the negotiation of group insurance plans as part of collective bargaining agreements. The great bulk of new group insurance coverage can be directly attributed to trade union activity.

In addition to workers covered by the TUA, the Auto Workers (CIO), Electrical Workers (CIO), Clothing Workers (CIO), Machinists (AFL), Ladies Garment Workers (AFL) and other large unions have established plans covering either entire industries or the personnel of individual industrial plants employing many thousands of workers.

**Case for Group Insurance:** Union demands for group insurance paid for wholly or in great part by the employer, are based on the following general arguments:

1. The National War Labor Board does not require approval of a group insurance plan in a collective bargaining agreement if the cost does not exceed 5% of the payroll. (This 5% maximum figure is usually more than enough to provide the most comprehensive kind of group insurance program.)
2. An employer's contribution to the cost of group insurance ("a necessary expense in the operation of the business") constitutes a deductible item in calculating federal income taxes.
3. The employer as well as the employee benefits by these group insurance programs. A report on *Industrial Health Practices*, issued by the National Association of Manufacturers, shows that group insurance and health programs reduce absenteeism, accident frequency and labor turnover, and bring a financial gain to the employer by reducing the cost of workmen's compensation insurance.

Unions cite the actual need of American workers for protection against the economic hazards involved in accidents, sickness and death. During 1943 the pay loss to industrial workers because of disability amounted to \$3.4 billion, it is estimated. The total medical bill for this disability,

including both public and private expenditures, was approximately \$4.5 billion, the Social Security Board estimated.

About 40% of all American workers carry no life insurance. Since about 15% of all American workers are unable to purchase individual insurance because of advanced age or impaired physical condition, the remaining 25% who have no insurance are probably unable to afford the cost on an individual basis. With increased sickness and disability in lower-income groups comes a corresponding inability to purchase insurance protection. In the absence of federal health insurance, unions are demanding comprehensive group insurance plans, paid for by the employer, to protect workers especially in the lower income groups.

**Benefits and Administration:** There are many advantages in the trade union type of group insurance. Where the insurance is part of the collective bargaining agreement, the plan cannot be discontinued at the whim of the employer. Besides, the union participates in the settling of claims and all other procedures connected with the payment of benefits.

If an insurance company underwrites the plan, the union participates in choosing a company which is mutually satisfactory to the employer and the union. Furthermore, the union's name usually appears on all literature describing the plan, on the insurance policies and on the benefit checks.

In those plans where the employee is making a contribution toward the cost, dividends paid by the insurance company are divided between the employer and the employees in the same proportion that each contributes to the cost of the group insurance.

Group insurance plans in the past were sometimes used by the employer as a means to prevent union organization or to offset demands for increased wages and improved working conditions. But union-sponsored group insurance plans today are part of the union's relationship with the employer, with the benefits to the workers guaranteed by collective bargaining agreements.

While group insurance plans vary, there are three main kinds: a union insurance plan underwritten by an insurance company; a joint labor-management plan underwritten by an insurance company; and a self-insured plan.

Under collective bargaining agreements, provisions may be made for the employer to contribute to the union an amount varying from 2% to 5% of the gross payroll. The union uses this money to purchase insurance from a regular insurance company, administers the plan and

handles the claims. United Furniture Workers of America (CIO), Joint Board of Fur Dressers' and Dyers' Unions of New York City (CIO) and New York Hotel Trades Council (AFL) have this type of plan.

Under a joint labor-management plan, the employer usually buys the insurance directly from an insurance company, but the union is represented in the administrative and claim procedures. Electrical, Radio and Machine Workers (CIO), Automobile Workers (CIO) and Marine & Shipbuilding Workers (CIO) have this type.

Amalgamated Clothing Workers (CIO) and Ladies Garment Workers (AFL) have a third type, under which employers contribute an agreed-upon percentage of gross payroll to the union. The union either establishes its own insurance company or pays benefits from a general insurance fund.

## IV. UNIONS AND THE NATION

### LABOR IN THE 1944 ELECTION

The executive council of the AFL remained "neutral" and failed to take a stand for President Roosevelt in the 1944 election campaign. Two of its members, Woll and Hutcheson, came out openly for Dewey. Pres. Tobin of the Teamsters headed the labor division of the Democratic national committee on which were also such national AFL leaders as Coulter (retail clerks), Doyle (coopers), McCarthy (marble polishers), McNamara (firemen and oilers), Morrin (bridge and iron workers), Maloney (glass bottle blowers), Rivers (building trades), Stevenson (molders), Winter (bakers), and Voltz (photo-engravers).

The following AFL executive council members—comprising with Tobin nine out of 15 on the council—also came out for FDR: Bates, Birthright, Brown, Flore, Harrison, Knight, Mahon and Weber.

Pres. Green of the AFL sat at the table at the Teamsters banquet where Mr. Roosevelt opened his campaign, but he endorsed several enemies of the administration, for example, Senators Danaher, Davis and Nye, and Reps. Busbey, Day, Fish, and Maas, all of whom, incidentally, were defeated.

The October issue of the *Federationist*, AFL official organ, maintained impartiality by printing FDR's speech to the Teamsters and Republican candidate Dewey's demagogic Seattle address on opposite pages.

Officials of certain international unions supported FDR openly. The *Trade Union Record* of New York City, October 28, 1944, reported the names of a dozen important national unions and 21 state federations which had endorsed the President, along with the city central bodies of most of the big cities. In addition to these, many state and district organizations of national unions, especially among the machinists, teamsters, food, building and needle trades workers, went on record for the fourth term. The theatrical trades were also a great help in the campaign.

Railway labor unions also supported the President, the most active leader being Pres. A. F. Whitney of the Railroad Trainmen. On the other hand FDR was not endorsed by *Labor*, organ of 15 of the rail-

road unions. Instead it backed a list of congressional candidates including such isolationists as Fish, Nye, Danaher, Maas, Davis and Day.

John L. Lewis and the official organ of the United Mine Workers of America supported the Dewey-Bricker ticket. But in spite of this, leading coal mine counties in Pennsylvania, West Virginia and Illinois gave Roosevelt substantial majorities which helped to hold these states for the President.

A 31-state poll of 139 labor papers, conducted by Federated Press and released September 27, brought out the pre-election views of labor editors including 60 AFL, 58 CIO and 21 joint or independent papers with a combined circulation of over 6 million.

This poll revealed only one Dewey supporter among the papers—an independent in Salina, Kansas. And it showed also that "Only 11 AFL papers took the 'non-partisan' position seriously enough to remain neutral."

This poll asked for information on local endorsements of Dewey and found only two instances of local union bodies backing the Republican ticket, an 85-member local union in Missouri and a boilermakers' local in California.

### CIO POLITICAL ACTION COMMITTEE

The CIO Political Action Committee was established July 7, 1943, by the executive board of the CIO. Its job was to educate and unite the American people and present to them the grave issues at stake in the 1944 election.

Setbacks in the 1942 Congressional election had awakened progressive labor to the dangers of political apathy. The national vote had fallen from around 50 million in 1940 to only 38 million in the 1942 congressional election. As a result a number of enemies of labor and of the President's program had been elected to Congress; labor's rights were being attacked and the war program sabotaged.

This was a warning to the labor and win-the-war forces of what could happen if reaction and isolationism won in the 1944 election. Hence PAC was set up, first, to mobilize the full force of the CIO membership for political action in local, state and national elections with the initial task of raising the number of registered voters to at least the 1940 level.

PAC was designed also to secure united labor action with the AFL

and railroad brotherhoods and to involve in such united labor action the broadest possible consumer, farmer and progressive groups and organizations.

**Officers:** Pres. Sidney Hillman of the Clothing Workers was elected chairman of the PAC, with Pres. R. J. Thomas of the Automobile Workers as Treasurer. Others on the committee were Pres. Sherman H. Dalrymple of the Rubber Workers, Pres. Albert J. Fitzgerald of the Electrical Workers, Pres. Emil Rieve of the Textile Workers, Pres. John Green of the Shipbuilders, Sec'y-Treas. David J. McDonald of the Steelworkers and Vice-Pres. Van A. Bittner of the CIO.

**Program:** The program of PAC was basically to support all candidates who stood for the President's platform, regardless of their party affiliation.

More specifically, PAC stood behind those favoring a foreign policy that would lead to the extermination of nazism and fascism; the strengthening of the United Nations in line with the Moscow, Teheran and Cairo agreements; and the establishment of an international organization, open to "all peace-loving nations," to maintain a just and enduring peace.

On the home front it stood for the measures which labor and the progressive forces as a whole have been working for during the war period and a postwar full employment program made possible through the raising of living standards at home and expanding trade abroad.

The statement of program and principles of the movement, as officially presented to the resolutions committees of both the Republican and Democratic parties, was summarized by Chairman Hillman in the *New Republic*, August 21, 1944:

It rests upon the belief that we can and must find a way so to utilize the vast spiritual and material resources of this nation that every American who is reasonably industrious and prudent may enjoy at least the minimum elements of a good life—that is, adequate housing, food, clothing, medical care, education, recreation and an opportunity for advancement. It rests upon the belief that too many Americans have died and are dying in foreign lands in defense of democracy for us any longer to permit democracy to be betrayed here at home by social or economic barriers erected against anyone by reasons of his race, religion or national origin.

**Attacks on PAC:** Especially in the last weeks of the campaign, when its enemies began to appreciate its influence, PAC was the subject of

continuous attack. It was charged with planning to set up a third party, or trying to gain control of the Democratic Party, or acting as the "tail" of the Democratic Party. It was accused of planning a "purge" of a long list of politicians of both parties, and of being a "Communist front." All sorts of self-contradictory accusations were aimed at it.

These vicious attacks came from the Republican headquarters, from the Dewey brain trust and from the Hearst, McCormick, Patterson, Gannett and Scripps-Howard newspapers. As Pres. Murray pointed out in his report to the 1944 CIO convention, these attacks were directed basically not only at the CIO "but at all labor, in which the very right of working people to take concerted political action was challenged and the attempt made to make it seem somehow without the law. Basically, also, the attack was directed at the progressive administration of President Roosevelt, whom the reactionaries sought to defeat with every weapon at their command."

In this deliberate smear campaign, as Chairman Hillman told the same convention in reviewing the work of PAC, there were "lies on top of lies, lies in newspaper chains the editors of which I am sure are now ashamed to read their own editorials.... No slander was too base, no appeal to prejudice too bigoted, no tactic too unprincipled for them to employ."

From Republican sources and the headquarters of John L. Lewis came also a thinly veiled appeal to anti-Semitism and anti-alien prejudice, distributed in handbills and blazoned even on billboards.

Martin Dies, then chairman of the House Committee on "un-American activities," was a leader in the attack. He issued a 215-page "report" on the PAC soon after it was formed, but by this time the Dies Committee itself was so discredited that few paid any attention to its outworn lies except Republican speakers who used them subsequently in the campaign.

In April, 1944, the FBI, after an investigation of the books of PAC, gave the organization a completely clean bill of health. Five months later Sen. E. H. Moore of Oklahoma accused the PAC of corrupt practices. Once again the FBI, after careful examination, found nothing irregular, illegal, subversive or un-American in the organization. In addition all the facts were presented to both the House and Senate Committees investigating campaign contributions and expenditures. After the Chairman of the House Committee Clinton P. Anderson "had listened to Mr. Hillman and his associates in hearings, and after bringing his Con-

gressional Committee down to New York to complete the investigation at the CIO-PAC offices, he stated that PAC 'operates in a fish bowl,' where almost anyone who wishes to see every move it makes can see it without any concealments." (Quoted from Joseph Gaer's *The First Round: the Story of the CIO-PAC.*)

**Co-operation with AFL Unions:** Although the AFL executive council, as noted, took a "neutral" position in the elections, some of its more far-seeing members worked for Roosevelt and refrained from attacking the PAC. In fact Pres. Tobin of the Teamsters announced in September, 1944, that he was prepared to co-operate with PAC for the re-election of Roosevelt.

As a result of such co-operation between some AFL officers, especially local leaders, and the CIO, Pres. Murray was able to report later to the 1944 CIO convention:

The salutary cooperation which has been developed in the political campaign between the CIO, the forward-looking and progressive leaders of the AFL and the Railway Labor Unions, and particularly with the rank and file of these organizations, augurs well for future united action in support of the fundamental issues which will confront our nation. This real unity was the essential cornerstone of the successful effort on the part of organized labor to weld a national unity behind our Commander-in-Chief, Franklin D. Roosevelt.

In many industrial centers this co-operation between AFL, Brotherhoods (railroad) and CIO was manifested in 1943-44 through "ABC" committees set up to further united labor action on political and legislative matters. A partial survey in March, 1944, revealed these committees functioning in 15 states, and before the election the number had increased.

**National Citizens PAC:** This broader, more inclusive organization was set up in June, 1944, to help the CIO-PAC bring the real issues to voters outside labor's ranks. Its leaders included many well-known liberals. Its honorary chairman (until his death September 2, 1944) was Hon. George W. Norris, former Senator from Nebraska. Sidney Hillman was its chairman. Pres. James G. Patton of the National Farmers Union was vice-chairman along with Freda Kirchwey, editor of *The Nation*. Members of the executive committee included former governors Pinchot of Pennsylvania and Benson of Minnesota, Pres. A. F. Whitney of the Railroad Trainmen and James H. McGill, President of the McGill

Manufacturing Co. The list of members who joined NC-PAC included the most distinguished progressive and creative citizens of the nation.

NC-PAC helped to develop a coalition of farmers, small businessmen, professional, religious and civic groups, all united on the same platform as the CIO-PAC, to win the war, secure the peace and forward domestic reforms for the welfare of all the people.

**Election Results:** PAC not only made a significant contribution to the election of Franklin D. Roosevelt and Harry Truman and the defeat of Thomas Dewey and John Bricker. It was also influential in securing the election of a number of progressive congressmen and the defeat of several reactionaries, thus altering the balance of power in Congress.

Number of votes cast in the 1944 elections was a little over 48 million. FDR received 3,596,227 more votes than his opponent. The electoral vote was 432 for FDR and 99 for Dewey who carried only 12 states.

The election returns showed that 243 Democrats had been elected to the House of Representatives in the 79th Congress compared with 222 in the 78th. Republicans numbered 190 in the 79th compared with 209 in the 78th. In the Senate, where a third were being elected in 1944, the number of Democrats remained at 57 and the Republicans at 38, the same as in the 78th Congress. (Figures from *World Almanac, 1945*.)

PAC policy, as indicated, was to support the candidates on their records both on domestic and international issues. In some cases, therefore, they supported Republican winners like Sen. Wayne L. Morse of Oregon, Sen. George Aiken of Vermont and Rep. R. J. Welch of California.

Some of those who went down to defeat, in part as the result of PAC "door bell ringing" and every-worker-a-voter activity, were the following in the House of Representatives: Fred E. Busbey, John Costello, Martin Dies, W. E. Disney, Charles S. Dewey, Stephen A. Day, Hamilton Fish, William Lambertson, Richard Kleberg, Melvin Maas, Norris Poulson, Thomas Rolph, John Newsome and Joe Starnes.

Among the anti-administration and isolationist senators who were defeated were John Danaher, James J. Davis, Rufus C. Holman, Gerald P. Nye, Robert R. Reynolds, Ellison D. Smith, Bennett Champ Clark and D. Worth Clark.

These lists include a few of those who like Dies and Reynolds did not choose to run again for fear of defeat, or those who were beaten in the primaries like Kleberg, Starnes, Newsome and Senator Smith and the two Clarks.

While men of the above type were defeated, some of them attributing their failure to the efforts of PAC, a good number of progressive, pro-Administration congressmen and senators were either elected for the first time or returned to their seats. These included, among others, in the House: Fred Bradley (Mich.), Emanuel Celler (N.Y.), John M. Coffee (Wash.), Hugh DeLacy (Wash.), Samuel Dickstein (N.Y.), Helen Gahagan Douglas (Calif.), Emily Taft Douglas (Ill.), Augustine B. Kelley (Pa.), Michael J. Kirwan (Ohio), John Lesinski (Mich.), Louis Ludlow (Ind.), Vito Marcantonio (N.Y.), Mary T. Norton (N.J.), George E. Outland (Calif.), Ellis E. Patterson (Calif.), Adam Clayton Powell, Jr. (N.Y.), Melvin Price (Ill.), Adolph J. Sabath (Ill.), George G. Sadowski (Mich.), Charles Savage (Wash.), Frank T. Starkey (Minn.), Jerry Voorhis (Calif.), Samuel A. Weiss (Pa.), and Richard J. Welch (Calif.).

In the Senate the progressives elected included, among others, George D. Aiken (Vt.), Alben Barkley (Ky.), J. William Fulbright (Ark.), Lister Hill (Ala.), Scott W. Lucas (Ill.), Warren G. Magnuson (Wash.), Wayne L. Morse (Ore.), John Moses (N.D.), Francis J. Myers (Pa.), Claude Pepper (Fla.), Glen H. Taylor (Idaho), Elbert D. Thomas (Utah), and Robert F. Wagner (N.Y.).

In the final count PAC claimed partial responsibility for the election of 17 Senators, 120 Representatives, as well as at least six governors.

## LABOR'S CONTRIBUTION IN THE WAR

The great contributions of organized labor to the war effort were described in some detail in the *Labor Fact Book* 6 (Ch. V), especially the production plans and proposals drawn up by the various trade unions.

Other items need to be added to bring this story up to date and to indicate the widespread war activity conducted by the unions.

**In the Armed Forces:** In the fall of 1944 the CIO estimated that more than 1,250,000 of its members were then in the armed forces of the United States. The AFL claimed 1,500,000 in uniform.

Assuming a proportionate number from other unions we may estimate that at the end of 1944 no less than 3,250,000 union men and women were in the armed services. These figures of course, do not include the uncounted millions who are sons and daughters of union members.

**Purchase of War Bonds:** Organized labor has continued to lead in the purchase of war savings bonds. Its members earned the praise of James

L. Houghteling, of the U. S. Treasury's War Finance Division, who said: "Our experience of two and one-half years has shown us that there is no single group of citizens in this country more whole-heartedly in favor of the Treasury's War Bond program than the officers and individual members of organized labor." (*U. S. Labor Press Service*, Jan. 17, 1944.) He estimated that about two-thirds of all payroll purchases of war bonds "are made by members of labor unions."

In November, 1944, Secretary of the Treasury Henry Morgenthau, Jr., in opening the Sixth War Loan Drive, reported that members of labor unions throughout the country have bought between 10 and 12 billion dollars' worth of war bonds in previous campaigns, or about a third of all those sold to individuals in the past three years. (*U. S. Labor Press Service*, Nov. 27, 1944.)

Reports to the U. S. Treasury in November, 1944, indicated that more than 7,500 international and local unions of the CIO then had substantial portions of their funds invested in war bonds. The United Steelworkers alone had invested \$500,000.

AFL unions were also heavy investors. The Teamsters purchased \$500,000 of bonds in the Sixth War Loan Drive in 1944.

### PRAISE FOR LABOR'S WAR PRODUCTION JOB

Labor's great contribution to the national war production effort has been noted in statements of the highest military and civilian war leaders. Since reactionary forces are attempting to smear labor and drive a wedge between workers at home and the returning servicemen, these statements praising labor's war role take on added significance.

In the typical statements below, trade unions as such are not specifically mentioned. But where the words "labor" or "workers" are used it is fair to assume that trade unionists are implied. For it is estimated that 85% of American war production has been carried on in factories that have union agreements.

President Franklin D. Roosevelt in a Labor Day statement, 1944, declared it was the determination of American workers "to safeguard liberty and to preserve their American heritage for coming generations that made possible the greatest production achievement in the world's history."

Gen. Dwight D. Eisenhower, Supreme Allied Commander in Europe, in a message on the same occasion said: "From this battlefield American

fighting troops send their grateful thanks to the workers of America for having made this the best equipped fighting force in all history.... Each of you justly shares in the credit for the tremendous successes the United Nations have gained on this important front."

Admiral Ernest J. King, Commander-in-Chief of the U. S. Fleet and Chief of Naval Operations, declared in a statement given in the *U. S. Labor Press Service*, May 5, 1944, that the contribution of the production front to America's successful offensives "constitutes in itself a lasting tribute to the American workman. He is doing more than I can tell you to win this war."

Rear Admiral C. H. Woodward, USN, in an address in Washington, D. C., May 21, 1943, referring to labor's accomplishments, said that "in so far as the word 'miracle' means making the impossible happen, I think 'miracle' is the word for the kind of job that labor is doing for the common cause."

Gen. Douglas MacArthur, Allied commander in the southwest Pacific, in a special statement released by the AFL, January 5, 1944, said: "Labor never failed the Army or the nation. May God bless you all for your splendid patriotism."

Field Marshal Sir Bernard L. Montgomery, in a letter to a member of the British Army Staff in Washington, was quoted in *U. S. Labor Press Service*, February 7, 1944, as follows: "The workers in America, straining every nerve to keep up and even increase the magnificent output which they have achieved, may not fully realize how great has been their contribution, not only to the success of the Eighth Army but to the cause of the Allied Nations. No praise can be too high for those tanks and for the workers and factories who have made them."

Under-Secretary of War Robert P. Patterson added his tribute when he said in a Labor Day message, 1944: "The men and women in our war plants have done a job worthy of the highest commendation."

Secretary of the Navy James Forrestal, in a similar statement at the same time, declared: "The good news from every battle front today is a tribute to the achievement of American labor over the past year."

Donald M. Nelson, while Chairman of the War Production Board, added his appreciation, declaring that the workers of this country "have every reason to be proud of the production achievements of the last two years."

Paul V. McNutt, Chairman of the War Manpower Commission, was quoted on the same occasion as follows: "Certainly labor is doing a

stupendous job. American workers have made possible a record of production that has never been equaled in the history of the human race."

## WAR RELIEF WORK

Both the AFL and CIO have gained public prestige through their generous war relief activities.

The National CIO War Relief Committee estimates that CIO members and workers in CIO plants contributed in 1943 about \$20 million to the National War Fund and \$15 million to the American Red Cross. The total was expected to be greater in 1944.

The CIO has also been co-operating with the AFL in aiding workers in other countries fighting against fascism. The annual budget of this joint enterprise, known as Labor's War Relief Program, rose from \$2 million in 1942-43 to \$3.1 million in 1943-44 and \$3.6 million in 1944-45. These funds go to relief work in Britain, the Soviet Union and China and also aid refugees and victims of fascism in France, Belgium, Czechoslovakia and other countries.

Through Labor's League for Human Rights, the AFL executive council reported to the 1944 AFL convention, unions and union members affiliated with the AFL "have contributed, in the past two years, an estimated total of \$70 million to the National War Fund through their Community War Chests, and to the American Red Cross." It reported also that AFL organizations "are co-operating with their respective Community Chests or National War Fund Committees and American Red Cross Chapters in more than a thousand communities."

National War Fund includes three representatives from the AFL and CIO on its national Board of Directors and there are also representatives from both organizations on all its committees.

CIO Pres. Philip Murray's report to the CIO convention in 1944 stated: "We have both voice and vote in the National War Fund, American Red Cross, Community Chests and Councils, many allied relief societies, and many all-time social service agencies, nationally and locally, which deal with important health and welfare problems."

## LABOR IN GOVERNMENT AGENCIES

In the last two years labor representation in the government's wartime agencies has increased. As President Philip Murray pointed out in his report to the 1944 CIO convention, "There is less inclination to argue about or refuse appointment of union people than formerly. During the past year the problem has shifted from assent to the question of availability of CIO members to serve in as many places as were open for them."

However, he added, "Organized labor has not yet been admitted to policy decisions to the degree that our interests and our program would warrant. There is still a lag in the military establishments and in government circles which results in failure to recognize the value of full democratic participation. In some few areas, there still remains outright opposition to labor."

**War Production Board:** This top war agency reported in November, 1944, that it was creating 12 new labor advisory committees in addition to the 19 then functioning. These committees study the WPB programs and present labor's recommendations for increasing military production. They also give advice on reconversion problems after the war needs have been met in various industries. Both AFL and CIO unions are represented on these committees.

Although labor committees of this sort had been in operation since early in the war program it was not until June, 1944, that the Office of Labor Advisory Committees was established in WPB to supervise their work. Any suggestions or recommendations from these committees are, of course, purely advisory, the final decision on all matters being made by the WPB.

On the WPB itself labor representation in 1944 consisted of Clinton S. Golden of the CIO, Vice-Chairman for Manpower Requirements, and Joseph D. Keenan of the AFL, Vice-Chairman for Labor Production. Each of these vice-chairmen has a staff of economists and union representatives to deal with official WPB functions in the field of manpower and labor conditions.

In addition to these top officers and the labor advisory committees, various labor assistants have been appointed in the industry divisions under the War Production Board. These assistants have usually been selected from the unions concerned with the particular industry involved. Fifteen such labor assistants had been appointed by the autumn of 1944,

in addition to 16 joint representatives assigned to the industry divisions.

Commenting on this situation, Philip Murray in his convention report in 1944 said: "Through the appointment of these labor assistants a certain measure of labor participation has been achieved. . . . Through active engagement in the day-to-day operations of the WPB they are integrating labor's viewpoint and policies with the operations of the industry divisions. They interpret the divisions' policies and programs to the unions and . . . the unions' reactions and viewpoint to the divisions."

**War Manpower Commission:** In the War Manpower Commission Clinton S. Golden of the CIO occupies the post of Vice-Chairman and another CIO man is executive assistant to the Management-Labor Policy Committee. Labor members of this committee are Pres. William Green (AFL), Pres. Philip Murray (CIO), and Pres. H. W. Fraser of the Order of Railway Conductors.

There were also 26 CIO officers serving on regional labor-management committees of the WMC and 397 local (CIO) union people serving on its area labor-management committees. The AFL was similarly represented with 28 members from its unions serving on regional and territorial committees and 615 on state and area committees in 1944.

The area labor-management committees hear appeals of workers denied requests for transfers. In many cities appeals are so numerous that this work is delegated to committees consisting of one representative each from management and labor. Such work involves hundreds of union members.

**National War Labor Board:** This Board has an equal number of labor, employer and public members. CIO members are R. J. Thomas and Van A. Bittner with several alternates and substitute members. The two leading AFL members are George Meany and Matthew Woll with an equal number of alternates and substitutes.

In the field organization of the NWLB, 34 CIO officers serve as regular regional board members with additional alternates and substitutes. Approximately 250 CIO people serve on various regional boards, panels and industry commissions along with a proportionate number of AFL officers.

**Office of Price Administration:** Six CIO and seven AFL representatives make up the Labor Policy Committee of the top OPA in Washington. Both CIO and AFL are represented by full-time workers in regional OPA offices. They also function on the district labor advisory committees and on many local rationing boards.

## CONSUMER WORK OF UNIONS

Unions' interest in the OPA has been stimulated by the fact that cost of living has been outstripping wage rates during the war.

They have taken a leading part in the various legislative battles centering around the cost of living. Not only the central bodies but thousands of individual CIO, AFL and railroad brotherhood locals have added their pressure in the fights for rent control, price control and subsidies. Some unions not only mobilized their own membership but also set up outdoor petition booths and tables to bring these issues to their fellow citizens.

Importance of labor's key role in fighting for effective price control was stressed by Price Administrator Chester Bowles in a statement made in July, 1944. He said:

Organized labor is doing a magnificent job in supporting effective price control, rent control and rationing. I know of no other group which has demonstrated greater and more widespread support for OPA. Labor was among the first to demand the creation of an agency with broad powers to control prices.

Each time when Congress has debated the extension of the Price Control Act, it has been the leaders of labor who have testified most strongly for the continuation of price control, rent control and rationing. . . . As an indication of labor's willingness to help make OPA really work, there are 102 Labor Advisory Committees now functioning. . . . On the hundreds of local War Price and Rationing Boards, more than 4,500 labor people are enthusiastically doing their share. . . . Many thousands of other union members are serving on price panels and in the vast consumer army of price checkers who are weekly checking compliance in food stores in all parts of the country. . . .

Other contributions for which labor can be proud include: support for the subsidy program, which has brought millions of dollars in savings to consumers; frequent requests for tight price control which has constantly kept the agency's enforcement department on its toes; practical proposals which led to the setting of definite dollars and cents or popular 'Market Basket' ceiling prices on essential food items; and widespread union-member educational efforts. (*CIO News*, July 31, 1944.)

In most cities where there is an organized consumer movement unions take an active part; they are often the backbone of local consumer organization. In Seattle a Labor Consumer League issues a bulletin to every union member in the area. In New York, Chicago, Los Angeles

and elsewhere labor groups have either started consumer activities or joined actively in established groups.

Automobile Workers (CIO) has set up its own consumer division with headquarters in Washington. Many unions have stepped up their use of Consumers Union publications as a means of keeping members informed on cost of living issues.

## LABOR HELPS THE VETERANS

Labor's program for World War II veterans centers around the goal of full employment and "jobs for all," both for the demobilized servicemen and the demobilized war worker. For the special needs of returning veterans, AFL, CIO, railroad brotherhoods and independent unions all supported federal legislation on their behalf, especially the "G. I. Bill of Rights" discussed in Chapter VI.

In supporting this "bill of rights," trade unions were taking another forward step in the struggle for all-around social security. As Harry Malisoff pointed out in the *American Federationist*, December, 1944:

Labor paved the way for the G.I. Bill of Rights by waging the winning battle for the Social Security Act some nine years ago.... The right of the general population to social security has been recognized. Along with this recognition comes recognition of the ex-servicemen's right to veteran's security.... No hard fight for it was necessary, organized labor having won this fight for the servicemen in advance.

Many unions now offer membership to ex-servicemen without payment of initiation fees. AFL unions which have thus waived such fees include the Machinists, Hotel & Restaurant Workers, Electrical Workers, Retail Clerks, and many others. Most CIO unions have also waived initiation fees for veterans.

Several unions have been publishing servicemen's editions of their papers. Through such an edition of the *CIO News*, CIO unions have kept in touch with members in the armed forces. This condensed version of the weekly paper has carried news of special interest to servicemen, including latest developments in legislation for veterans. The National CIO War Relief Committee's servicemen and veterans' division has issued *The New Veteran*, a monthly pocket-size magazine dedicated to the task of providing full information on all aspects of veterans' problems. This committee has also issued a new servicemen's manual, a CIO edi-

tion of the pamphlet, *Facts and Tips for Service Men and Women*. The Amalgamated Clothing Workers (CIO) publishes one of the best papers, *News and Views*, for its members in the armed forces.

**Union Contracts and Veteran Job Provisions:** As a result of organized labor's insistence that re-employment provisions be included in the Selective Training & Service Act of 1940, section 8 dealing with re-employment rights of veterans was incorporated. This provides that a veteran is entitled to reinstatement in the job he held at the time he entered the service if this job was a "permanent position"; if he is "still qualified to perform the duties of such position"; and if the employer's circumstances have not changed so as to make it "impossible or unreasonable" for the employer to rehire him.

Labor considers that these provisions are too restrictive compared to the veterans' needs. Only about 20% of the veterans, it is estimated, would be covered under the provisions, since many were on temporary jobs before induction, some were unemployed and others will find their former jobs nonexistent.

To strengthen the veterans' rights to employment, many unions have been including provisions in their contracts dealing directly with re-employment and employment rights. These contract provisions throw the union's backing behind existing legal protection for veterans and also in many cases add substantially to the protection guaranteed by law.

At its 1944 convention, the CIO, as indicated above, took various actions protecting veterans' rights. The Automobile Workers (CIO), for example, in 1944 signed contracts with employers providing for this job protection for veterans. AFL unions are taking similar action.

A number of unions have incorporated clauses in contracts to the following effect: "In the event such employee [that is, veteran] is either physically or mentally unfit to perform his former job, or if his former job is discontinued, he may claim seniority for any job which he is capable of performing in the plant as determined by the company and the union when the necessity arises."

For the protection of veterans' wage rights, some unions have incorporated in their contracts a clause reading: "If wage increases are granted during the time an employee is serving in the military service of the United States, such employee shall be given the same increase upon his return to work."

Other questions dealing with upgrading of returned veterans, special provisions for disabled veterans, time limits for reinstatement on their

former jobs and similar problems have been handled in union contracts. In these and other ways, the unions have demonstrated their interest in protecting the rights of returning servicemen.

**Projects for Veterans:** In states and in local communities, trade unions have taken the lead in undertaking projects on behalf of veterans and service men and women, not only for the millions who are members of trade unions but for all members of the armed services. Such projects include the following:

Veterans' service offices directed by veterans of World War I or World War II have been formed as part of the union's permanent organization. Veterans have been advised on their rights and on employment openings, the unions co-operating with the U. S. Employment Service in this activity. Canteens and servicemen's centers have been built and maintained by local unions.

A number of unions have bought and sent overseas fully equipped ambulances. Practically all unions have sent money or other gifts to members in service. Many have rendered financial assistance to widows and children of deceased members. Union members have taken part in mass blood donations. Unions have taken convalescent veterans on trips to the country and other tours. Delegations have visited veterans in the hospitals. Union committees have co-operated with state veterans' commissions and local veterans' service committees in working out plans for returning men.

## LABOR AND THE RADIO

Before the war labor organizations had tried to use the radio to combat anti-labor propaganda of newspapers and radio news commentators. They could often buy time or obtain it free on local stations, but national hook-ups generally refused them time on the air. In 1939, the National Association of Broadcasters had adopted a code, ruling that paid time could not be made available for "controversial" issues. Free time was supposed to be made available instead, but it was given to the unions irregularly and then, often, at undesirable hours. Under this code, also, union broadcasts were often so censored that they did not express labor's point of view.

With the war, and labor's increasing participation in national affairs, unions needed the radio to present their view on many national and international issues. In April, 1942, the National Broadcasting Co. allowed

the AFL and CIO free time on alternate weeks for the "Labor for Victory" program. This was canceled in June, 1944.

But the summer of 1944 found regular local labor programs on the air in many places including Seattle, New York, Cleveland, Toledo, San Francisco, Hollywood, Los Angeles, Jamestown (N. Y.), the Great Lakes region and Chicago. In Chicago, WCFL, America's first labor station, broadcast a labor mystery thriller, put on by the Building Service Employees International Union.

The CIO had carried the fight to the Federal Communications Commission and recommended that the FCC establish machinery to assist labor and other organizations which meet discrimination against their right to buy radio time or receive free time on the air. As a result, the NBC, the Blue Network, and Columbia Broadcasting Co. have arranged for free 15-minute labor programs once a week in 1945. The Mutual network still refused to set aside regular weekly time but agreed to offer equivalent time for occasional special broadcasts.

The CIO is continuing to fight against discriminatory refusal to sell radio time, and for the allocation of more free time by broadcasters in line with their obligation to render public service.

Station WHKC, Columbus, Ohio, for example, had refused to allow Vice-President Richard T. Frankenstein of United Auto Workers (CIO) to broadcast the voting record of Sen. Robert A. Taft and other isolationists. When the license of this station came up for renewal, the union protested to the FCC. As a result, station WHKC repudiated the "code" and agreed to sell time to the union for broadcasts of its own choosing, subject only to censorship of slanderous matter.

Radio was used to good advantage for labor by the Political Action Committee of the CIO in the 1944 election campaign. It used radio transcriptions, both dramatic sketches and spot announcements. It also set up a volunteer monitoring service which analyzed news commentator broadcasts for anti-labor bias.

**FM:** In the postwar period low-cost frequency modulation broadcasting will undoubtedly make it possible for many labor organizations to operate their own stations. It will help to prevent the monopolizing of the air by big business interests and newspaper chains.

By the end of 1944 unions had begun to file applications with the Federal Communications Commission for FM licenses. The Automobile Workers (CIO) requested these for stations in Detroit, Flint, Cleveland, Newark, Chicago and Los Angeles. Other unions and a few city

and state industrial union councils were considering filing applications.

Labor understands the advantages of FM over the present system. For it eliminates interference from other stations on adjoining channels, eliminates most static noises and reproduces a wider range of tones.

## LABOR'S POSTWAR PROGRAMS

Many labor unions, facing a critical reconversion and postwar employment situation, redoubled their interest in social and economic planning in 1943-44.

The AFL, many of whose members work in the construction and transportation industries, focused attention on housing, highways and other public works. The CIO, whose membership is concentrated in basic industries facing grave reconversion problems, rallied behind Pres. Philip Murray's comprehensive re-employment plan. (See below.)

The Railway Labor Executives Assn. late in 1944 appointed a special committee to study postwar plans, particularly as they relate to railroads and other forms of transportation. High on their list was the program adopted by the National Farmers Union calling on the government to step in with appropriations as high as \$40 billion a year when necessary to provide full employment.

**AFL Plans:** The AFL Building and Construction Trades Dept. in 1944 adopted a ten-year-plan for postwar housing calling for 1,500,000 new units a year. It assumed that private enterprise, aided by low interest rates, would care for the needs of those who can pay for decent housing while public housing agencies clear the slums and build low-cost homes for the poorer "ill-housed" third of our people.

The Metal Trades Department of the AFL, representing unions like the Machinists, with heavy membership in war industries, outlined a program setting the postwar national income goal at \$150 billion a year, endorsing the reconversion features of the Kilgore bill and asking wage increases to absorb the shock when overtime work is no longer needed. The metal trades unions endorsed the union-management approach to reconversion and urged a powerful postwar merchant marine to keep our ships on the seven seas.

Approving these objectives, the AFL postwar planning committee directed special attention to the need of cutting the work week to 30 hours after the war and raising the floor under wages to help increase purchasing power. Unions preparing seriously to achieve full employ-

ment were advised to "review and revise rules and practices which were developed to protect workers in a depressed and severely fluctuating economy." Central labor bodies were urged to study local needs in conjunction with community postwar planning groups.

The AFL's original "Postwar Program," adopted April 12, 1944, concluded with the proposal that "representatives of farmers, employers and workers organizations should get together in advance of legislation to agree upon our joint responsibilities." This program dealt with the "bases of lasting international peace" as well as domestic problems.

Electrical Workers continued pioneering within the AFL in a formal and comprehensive approach with their employers to postwar problems. The second report of the labor-management committee on postwar problems of the union and the National Electrical Contractors Assn., issued in 1944, stressed full employment and production as the industry's joint goal and stated domestic and international policies under which this could be attained. This joint committee now is studying the role of public housing and the annual wage.

Pres. Harry C. Bates of the Bricklayers pleaded with a congressional committee to recommend appropriation of \$100 million to enable local communities to prepare plans for public works ranging from schools to sewers.

Pres. Harvey W. Brown of the Machinists, many of whose members make planes, told a U. S. Senate committee that the "lack of long-range planning is appalling" and urged immediate federal study of a program for peacetime use of the nation's heavy investment in aircraft factories.

Martin Durkin, president of the Plumbers and Steamfitters, outlined a program which involved state federations of labor stimulating state planning, local labor bodies prodding municipal governments, and international unions conferring with their respective employers' groups on industry-wide problems. Unless unions and employers seize the initiative, he warned, the government will have to do the planning.

Pres. Durkin also outlined a plan for placing federal surplus plumbing supplies in slum properties. Unionists would take a lower scale, contractors a lower profit and property owners would pay a lower price for the needed improvements. Such a plan, he argued, would keep surplus plumbing supplies from hanging over the postwar market.

The Boilermakers union in September, 1944, drew up a plan covering a broad field of activity and legislation. It urged co-operation of industry and labor on all postwar problems, the launching of government public

works projects in the reconversion period, the stabilization of annual employment on the railroads and the reduction of working hours, with no reduction in take-home pay, in order to maintain high national income needed for full employment.

The Amalgamated Lithographers in 1944 set up a joint council with employers organized in the Lithographers National Association, with postwar planning high on the council's agenda.

**CIO Re-employment Plan:** At its Chicago convention in 1944 the CIO adopted the re-employment plan submitted by Pres. Murray. Basic in this program is the industry council, first proposed by the CIO to strengthen the defense program long before Pearl Harbor. (See *Labor Fact Book 6*, p. 70.)

Based on teamwork among labor, industry and government, the plan calls for a National Production Council representing the functional elements in our society and guiding us through reconversion to postwar prosperity. Industry councils would prepare programs aimed at full production and employment which would be integrated by the National Production Council into a national program.

The CIO presented these approaches to full employment:

1. Construction of 6,000 airports to foster rapid development of civilian air travel by commercial and private planes.
2. Reconstruction of our highways and railways to foster speedy economical transportation.
3. Housing and city reconstruction which would include the wiping out of slum areas and substandard housing. Along with this would go extensive city planning and decentralization in the great metropolitan areas.
4. Regional development, in line with recent proposals for more TVA's to help the nation's great rivers serve the people; a vast program of flood control, rural electrification, reforestation and power dam building.
5. Development of new foreign markets for our heavy industries by the rebuilding of war-torn European countries and the industrialization of Asia and Latin America. This would, of course, require government assistance in the financing and guaranteeing of sound foreign investments under international control.
6. Promotion of national health, education and social security by a program of social insurance covering unemployment, sickness, accidents, old age and maternity; also, by a constructive program for building of

more hospitals, the training of more doctors and dentists, a new modern standard of industrial safety, and reform of our state workmen's compensation laws.

Hundreds of thousands of new teachers should be trained and thousands of additional primary and secondary schools built to meet the educational requirements of the postwar world.

7. Along with these plans for the nation as a whole the CIO emphasizes higher wages to maintain purchasing power, support employment, business and farm sales, and provide improved standards of living for all.

Annual wage guarantees, dismissal pay, sick leave pay, paid vacations and holidays and elimination of geographic differentials in wages also are proposed, as well as unqualified acceptance of collective bargaining and recognition of the unions as the main foundation stone of national prosperity.

**Specific CIO Union Programs:** Within the framework of this comprehensive CIO program, unions in the maritime, meat packing, farm equipment, automobile and aircraft, textile, electrical and radio, metal mining and shipbuilding industries have offered detailed plans during the last two years dealing mainly with reconversion and postwar employment. The Federation of Architects, Engineers and Technicians, which had previously popularized the methods of planning for war production, placed its technical resources at the service of sister unions in charting such plans.

Exceptional in its broad scope and thorough research is the program outlined in *Jobs After the War*, an attractive pamphlet issued by United Farm Equipment and Metal Workers. Jobs in the nation's great farm machinery factories, the union declares, depend on farm prosperity and on vast development projects for economically backward countries such as China. No union, it is emphasized, can make a plan without reference to the economic well being of our own country and the whole world.

The program of this union touched intimately the program of the National Farmers Union. Both stressed the family unit farm, the perils of monopoly sustained high prices with restricted production of commodities the farmers need, and the essential relationship between good wages and good prices for farm products.

The union compared Canada and China as markets: Canada with a small population and a high standard of living consuming 20,000 times

more U. S. farm machinery than China with its vast population and meager living standards.

This union also proposed a Farm Equipment Industry Planning Board, composed of industry, labor, agriculture and government. This agency would be co-ordinated with similar boards in other industries.

The United Packinghouse Workers stressed the same points in a plan made public in 1944. It emphasized the key position of foreign trade. The union declared it was concerned not so much with the export of meat products as with maintaining U. S. industrial activity at a high level through developing foreign trade so that city workers would be able to buy farm products. Farmers will not continue maximum livestock production, the union argued, unless they have confidence that full employment will guarantee a ready city market.

The Packinghouse Workers' program, embodied in a pamphlet called *Meat During Postwar—Will There Be Enough?*, called for export of surplus meat supplies for European relief after Germany's defeat, a federal food agency with functional representation, full union-management co-operation, the annual wage, assurance of an adequate diet to low-income families and the establishment of an industrial council for meat packing.

Implicit in these plans was the spirit of the Teheran agreement of the three Allied powers in December, 1943. The unions based their hopes for full employment on fruitful world co-operation. If this spirit of United Nations unity should waver, under the stress of unrestricted economic conflict, the world would face not a mere diplomatic reverse but a blackout in employment. Labor's support of the Teheran agreement reflected not only international goodwill but support for the very jobs and livelihoods of the peoples of America, Europe, Asia, Africa and the far islands of the globe.

It was in this spirit also that the Industrial Union of Marine & Shipbuilding Workers in its *Program on Postwar Jobs for Shipbuilding* demanded that foreign trade be lifted to levels undreamed of by cautious economists. That union placed the figure at \$20 billion a year. Obviously nothing less than a drastic revision in our concept of world trade is required.

The United Auto Workers continued its specialized planning in 1944. It was able to present not only a comprehensive plan (*The UAW-CIO Postwar Plan*) for reconversion of the auto industry, but to extend its studies in the field of public housing (*Memorandum on Postwar Hous-*

*ing).* Its housing plans have been hailed by experts as the most advanced and solid yet presented.

**Shipping Union Plans:** Some of the most concrete and far-reaching postwar plans were drawn up in 1944 by the CIO Maritime Committee representing the National Maritime Union, the International Longshoremen's & Warehousemen's Union and five other CIO unions in this industry.

These unions have presented a postwar program based on full employment and full utilization of American ships. It involves the calling of conferences by the United Nations shipping authorities and the making of agreements before the war's end to prevent ruinous competition, rate wars and restrictive and discriminatory practices in the postwar period. In addition to agreement on tonnage, rate schedules and subsidies, international agreement must also be reached on the establishment of "a binding universal charter of minimum wages and labor standards."

In addition to a long list of economic proposals bearing on the maintenance of a high level of international trade in the postwar world, these unions propose for maritime workers the assurance of economic security and living standards substantially above prewar levels.

This goal requires the establishment of an adequate basic wage, a guaranteed annual income and unemployment insurance, which has not yet been extended to cover seamen. It also proposes an over-all health program for seafarers and their dependents, the maintenance and expansion of upgrading facilities, stabilization of maritime wages and standards on all American ships and labor-management co-operation for their full utilization and for full employment of marine workers.

**Labor in Community Planning:** During 1943 and 1944 both AFL and CIO unions made efforts to influence planning at community levels. In most states and cities public planning agencies are more or less active. Usually they include labor representation. Labor is not making the full contribution possible because often its representatives are overburdened with regular union duties or find themselves in a hopeless minority when they try to integrate local planning efforts with President Roosevelt's national plan.

In Denver and several other communities unionists took the initiative in calling general planning conferences to consider problems raised by war production, reconversion and peace. The CIO's Mine, Mill & Smelter Workers and the United Electrical Radio & Machine Workers have pioneered in this field of planning. Often such conferences have

helped to break up log jams in war production, and have given communities a better grasp of postwar possibilities. Inevitably they tend to integrate unions in the community and to underline labor's responsibility for leadership in this era.

The Committee for Economic Development encouraged labor representation on local committees planning postwar industrial expansion. Such committees are sponsored by business interests and labor representation on them, for the most part, seems to be something of a goodwill gesture. Whether results can be achieved by unionists co-operating in CED committees will depend very much on their initiative and intelligence. At least CED seems eager to give labor some voice in its local planning activities.

**Labor Views:** A survey of labor opinion on planning was taken in 1944 by the American Labor Planning Service. It included mainly labor editors, organizers, research and educational directors of unions. It disclosed substantial agreement on the following propositions: The nation needs a national planning agency (68 to 0); government should foster foreign trade and development (63 to 3); a joint attack on unemployment is possible through co-operation of unions, employers and government (63 to 4); private enterprise alone cannot assure full employment (61 to 6); the domestic market cannot provide outlets for full production (58 to 7); government should assume responsibility for full employment (52 to 12).

## V. LABOR RELATIONS AND BOARDS

### EXTENT OF COLLECTIVE BARGAINING

Trade unions have grown rapidly during the war and are now stronger and more influential than at any time in American history. About 85% of the war materials turned out in the United States have come from plants with union contracts.

Through their greater strength and their more efficient organization, plus their greater financial stability, unions are in a favorable position for maintaining in the postwar period the better working conditions which they have won, not only for their members but for labor as a whole.

At the beginning of 1944 almost 45% of all workers in private industry were employed under the terms of union agreements. The number covered was about 13,750,000, or about 750,000 more than at the beginning of 1943, the U. S. Bureau of Labor Statistics reported in *Monthly Labor Review*, April, 1944.

In manufacturing industries as a whole about 60% of the workers were covered by union agreements. Over 95% of the coal miners, longshoremen and workers on railroads were covered by these agreements. And in such industries as automobiles, aluminum manufacturing, men's clothing, non-ferrous-metal smelting and refining, shipbuilding and basic steel over 90% were included.

In the following industries over 80% were included: construction, maritime, local bus and street railway, trucking and the telegraph industries.

Practically all professional actors and musicians were employed under union agreements, including the highest paid stars of stage and screen. On the other hand union agreements covered barely 5% of the clerical and professional workers in manufacturing and financial establishments and wholesale and retail trade.

Out of an estimated two million workers in service occupations, other than domestic work, nearly 20% were covered by agreements. In this group are barbers and beauty-parlor employees, hotel workers and those engaged in building service.

Largest increase in 1943 in number of workers covered by agreements was in the manufacturing industries where employment increased by about a million between January, 1943, and January, 1944. Biggest increases in number covered by agreements were noted in shipbuilding, aircraft, automobiles, steel, electrical and other types of machinery. The greatest decrease in the number under agreement was in construction where employment fell sharply as the defense plant building program drew to a close.

**Union and Closed Shops:** In January, 1944, there were about 6.5 million workers employed in plants and occupations having closed shop or union-shop conditions. This was a gain of about 2.5 million since Pearl Harbor. These included about 50% of all workers employed under union agreements of every sort.

Closed shops were established by almost all agreements in building construction, trucking and the printing and publishing industries. In men's and women's clothing, in breweries and in hosiery plants over 75% were covered by closed-shop agreements, and in shipbuilding about 55%.

Practically all coal mines are under union-shop agreements and also about 70% of the organized local bus and street-railway employees.

The Bureau of Labor Statistics survey found that in January, 1944, out of 91 industries (and occupations) 16 were almost entirely under written agreements; 25 had a large proportion working under these agreements; 20 had about half of the workers under such agreements; 24 had a moderate proportion of the workers covered; while six, all of them non-manufacturing industries, had very few covered.

(*Monthly Labor Review*, Apr. 1945, gives Jan. 1945 figure of 14.3 million, about 47% of total employed, covered by *all* types of agreements.)

**Maintenance of Union Membership:** Maintenance-of-membership provisions, established by the National War Labor Board, covered over 3,000,000, or over 20% of all workers under union agreements, at the beginning of 1944. Under this provision employees who are members at the time of the signing of the agreement, or who later join the union, must remain members for the life of the agreement.

Generally, the worker has 15 days after the signing of the agreement to withdraw from the union if he so desires. At the end of 1943 about 35% of all workers under union agreement in manufacturing industries were covered by this type of maintenance-of-membership clause.

Results of maintenance-of-membership provisions are reported in the

September, 1943, *Monthly Labor Review*. The summary of a 31-plant survey says:

Although most unions with maintenance-of-membership clauses in their agreements had increased their membership, the relative union strength showed no marked increase, because total employment had also increased since the adoption of the clause. Resignations of union members during the so-called "escape period" were negligible in most cases. Discharges of union members for failure to remain in good standing were not numerous, only 72 employees in 8 plants having been discharged for failure to pay their union dues.

The maintenance-of-membership clause had also assisted the enforcement of the union's "no-strike" pledge in several instances. Improvements in employer-union relations, as reflected in the effectiveness of the grievance program, were noted in a majority of cases.

A thoughtful appraisal of the value of the maintenance-of-membership type of clause was made by Benjamin L. Masse writing in the May 27, 1944, issue of *America*, a Catholic weekly. He says:

Maintenance of membership can be regarded as an intelligent compromise between the traditional employer demand for open shop and the traditional labor demand for a closed shop. It grants the unions some measure of security. It does not unduly hamper the freedom of employers. It protects, by the 15-day escape clause, the liberty of individual workers.

Only on the assumption, it seems to me, that unions are bad in themselves and not to be encouraged, or that employers have a right to dictatorial control over their employees, or that individual workers are entitled to an anti-social freedom that verges on irresponsibility, can anyone fail to see its advantages. Maintenance of membership, in short, is helping to win the war—and the peace also.

### LABOR-MANAGEMENT COMMITTEES

Labor-management committees helped greatly in achieving America's tremendous war production. By the end of October, 1944, more than 5,000 had been established in factories, mills, mines, shipyards and lumber camps throughout the country. They covered nearly 8,000,000 workers, and involved the activities of some 50,000 committee members.

The ordnance industry, including all types of gun, ammunition and tank production, then had the largest number of committees, 587, representing 1,162,260 workers. Plants building ships and ship parts

had 196 committees representing 1,132,310 workers. Aircraft and aircraft parts plants had 171, covering 811,540 workers, while the iron and steel industry had 505 committees, covering 728,710 workers. There were 46 committees in U. S. Naval shore establishments representing over 748,000 employees.

**Size of Plants:** The largest number of committees, in fact 57% of the total in September, 1944, were in plants with from 100 to 1,000 workers. Nearly 19% were in plants with from 1,000 to 5,000 workers. Slightly over 3% were in plants with from 5,000 to 10,000 and 3% were in plants with more than 10,000.

**Suggestion Systems:** Although the best contributions to production were doubtless made through the give-and-take meetings, where representatives of labor and management as a joint group undertook to solve their mutual wartime problems, a great many ideas came also from suggestion boxes.

During one year, running from about April, 1943, approximately a million war-winning ideas were submitted by workers. These ideas were useful in breaking bottlenecks, speeding production, conserving materials, improving shop housekeeping and reducing absentee and turnover rates.

In some plants the suggestion system was not fairly operated and workers did not receive rewards commensurate with the contribution of their ideas to the productive efficiency and increased profits of the company. However, this did not discourage the workers from making useful suggestions that helped to increase production on the vital industrial front.

**Other Important Features:** Although safety work had been highly developed in many plants before the establishment of the labor-management committees, it was often greatly improved and was an important factor in holding down the number of accidents in war plants.

The work of the committees in reducing absenteeism was also very important. In many plants the absentee rate was cut by as much as 50% when the committees had dug out the causes and carried on their campaigns for obtaining better work attendance. This often brought the committee into other activities such as helping to set up child care centers and improving community shopping and transportation facilities.

**Union Representation:** As of September 15, 1944, the War Production Drive Headquarters reported that approximately 32% of all committees had CIO representation; 24% AFL, 9% United Mine Workers,

8% "independent" unions, and 3% a combination of unions. The rest had no union representation.

Although these figures indicate that only about 76% of the plants with committees have unions of any sort, those with union representation include many of the larger war production plants, so that actually about 88% of the workers were covered by union representation.

At that time the chief AFL unions represented on these committees were the machinists, electrical workers, molders, structural iron workers, pattern makers, boilermakers and blacksmiths. The chief CIO unions represented were the steel workers, electrical and machine workers, auto workers, smelter workers and shipyard workers.

In those plants that had strong unions the most efficient committees were established, especially where management was willing to work harmoniously with the union. On the whole the enthusiasm of organized labor for the war and for maximum production was a primary factor in the more successful committees.

The joint committees set up in non-union plants, with the initiative coming mainly from management, were generally less effective in stimulating production and carrying out various other functions.

**Postwar Prospects:** In the later stages of the war production drive it was found that a few of the committees were being used against organized labor. Some open-shop-minded employers took the position that trade unions were not needed in their plants if the labor-management committees could take care of most of the grievances arising among the workers.

This action was somewhat similar to that of certain employers after World War I when shop committees, set up under the direction of various government agencies, were transformed into company unions and anti-trade union organizations.

Despite the hopes of certain managements that the committees may serve as the nucleus for anti-union operations after the war, progressive labor circles believe that this can be avoided. In plants where there are strong unions the committees may be able to play a very important part in helping to solve reconversion problems and increase productivity in line with broad national plans for a full-employment and high-production economy in the postwar period.

## LABOR'S WAR STRIKE RECORD

In the first full year after the United States entered the war the total number of strikes reported by the U. S. Bureau of Labor Statistics declined to 2,968 from the 4,288 reported in 1941. Number of workers involved in these 1942 stoppages fell to only 840,000 or 64% fewer than in 1941. And the time lost through strikes declined 82% below 1941, despite the 7% rise in the average number of workers employed. The number of man-days idle in 1942 was, in fact, lower than in any year for which figures are available with the single exception of 1930.

The strikes that did occur in 1942 were unauthorized by the trade unions and were for the most part of short duration and involved comparatively few workers.

In connection with all its strike statistics the government bureau specifically states that the term "strike" is used to include all stoppages of work due to labor disputes regardless of whether the workers or employers initiate or are responsible for the stoppages. In other words, both strikes and lockouts are included in the figures.

**1943 Strikes:** The increase in strikes from 2,968 in 1942 to 3,752 in 1943 was significant. But it was not so large when the four stoppages in the mining industry are excluded from the total figures. When the figures for the coal strike are deducted from the total, the *man-days idle in 1943 were actually less than in 1942*.

	<i>1943, including coal strikes</i>	<i>1943, excluding coal strikes</i>
Strikes	3,752	3,322
Workers involved	1,981,279	1,376,182
Man-days idle	13,500,529	4,153,646

The mining industries were affected by strikes to a far greater extent than any other industry group in 1943. Nearly 70% of all the man-days lost by strikes that year were in the coal stoppages. The general coal stoppages began on May 1, June 1, June 21 and November 1. All of them were repudiated by labor groups striving to live up to the no-strike pledge.

Most of the leading non-coal strikes of the year were called by irresponsible local union leaders without the authorization of national officers, or they were strikes fomented by disruptive groups within a union, often on a racial issue.

Considerably more than half the 1943 strikes arose out of dissatisfaction with wages. As the report on *Strikes in 1943* (Bulletin No. 782 of U. S. Dept. of Labor) puts it, "During the last half of the year, especially, strikes registered the growing pressure of labor to obtain wage increases commensurate with increased living costs."

Other strikes were caused by the attempts of employers to utilize the no-strike policy for taking advantage of the workers. But these provocations usually failed as labor stood firmly by its pledge.

Most of the few strikes and lockouts were of short duration [said Secretary of Labor Frances Perkins, January 7, 1944] because responsible leadership promptly ordered those on wildcat stoppages back to work and because government provided the machinery by which industrial disputes could be adjusted in all fairness. The leaders of the labor movement, for the most part, cooperated with the conciliation service of the Department of Labor and the National War Labor Board in bringing about settlements of differences. (*N.Y. Times*, Jan. 8, 1944.)

Average duration of the 1943 strikes was about five calendar days compared with 12 in 1942 and 23 in 1939. About 80% of all strikes in 1943 lasted less than one week, most of them only one to three days. About 18% lasted from one week to one month; less than 2% lasted a month or more.

AFL organizations were involved in 37.3% of the 1943 strikes, accounting for 19.6% of the workers involved and 10.7% of the man-days idle. CIO workers were involved in 36.6% of the strikes, accounting for 44.3% of the total workers involved and 16% of the man-days idle. Unaffiliated unions were involved in 15.7% of the strikes, accounting for 32.5% of the workers involved and 71.1% of the man-days idle. The United Mine Workers of America, which called the coal strikes, is an unaffiliated union.

**Time Lost by Strikes:** In 1942 and 1943 the ratio of time lost by strikes to available working time was only 5/100 of 1% (the loss of time in the coal strikes being excepted). Including the coal stoppages, the ratio of time lost to total available working time was 1/7 of 1%.

The table below, based on data compiled by the U. S. Bureau of Labor Statistics, shows the percentage of total employed workers involved in all strikes, including the coal strikes, and the percentage of available working time in man-days lost through work stoppages during the last five years, a period in which production more than doubled.

Year	% of total employed	% of available working time
1939	4.7	0.28
1940	2.3	0.10
1941	8.4	0.32
1942	2.8	0.05
1943	6.9	0.15

The Bureau of Labor Statistics reported in January, 1945, that there had been approximately 5,000 strikes and lockouts in 1944, involving 2,100,000 workers, the time lost being about two-thirds that of 1943. The man-days idle in 1944 amounted to only 0.10% of the available working time, or less than in 1943. (These were preliminary figures.)

In discussing the figures on work stoppages the *Information Service* of the Federal Council of Churches of Christ in America, September 30, 1944, pointed out: "Probably not enough attention has been given to the fact that the gross figures give no indication of possible provocation by management."

In a report on the year-long Army construction program, which had employed a million men, James P. Mitchell, director of the industrial personnel division of the Army Service Forces, said:

The total number of man-days lost on this program from labor causes, all of which were of a minor nature, represented but two-hundredths of one percent of the number worked, a figure so small as to be negligible.

A better record than that in any human activity of such magnitude can hardly be imagined. It is well for the public to know this, because it presents a picture drastically at variance with that held by the average newspaper reader. (Quoted by Secretary of Labor Frances Perkins in *American Federationist*, Dec., 1943.)

**Settlement of Strikes:** Nearly 70% of the strikes ending in 1943 were settled with the assistance of government officials or boards. These strikes included 82% of all workers involved and accounted for 93% of the strike idleness during the year.

Proportion of strikes settled through government agencies has increased in recent years. It was less than a third in 1935 and 1936, but increased to 43% in 1940, 53% in 1941, 62% in 1942 and 70% in 1943.

In 1943 nearly 39% of all strikes were the concern of the National War Labor Board compared with 14% in 1942.

**Labor's No-Strike Pledge:** Despite increasing provocation from employers and the long delays in the settlement of disputes by the various agencies, the national trade unions have maintained their pledge not to strike in wartime. Although anti-labor forces have attempted to spread reports that labor had broken this pledge, instructions from the Chief of Staff of the U. S. Army, General George C. Marshall, dated August 21, 1944, and sent to every orientation officer in every unit of the Army, answered these rumors.

These instructions stated that the loss from strikes from shortly after Pearl Harbor until July 1, 1944, "represents less than one-tenth of one percent of the total labor time available. This bears out the statement by the Secretary of Labor to Congress that the no-strike no-lock-out pledge of labor and management 'has been kept at a rate of 99%.'"

Later, in Fact Sheet No. 29 of the U. S. War Department, strike statistics of the sort we have given above were included, along with the following statement:

No strike has been authorized since Pearl Harbor by the national leadership of either the American Federation of Labor or the Congress of Industrial Organizations. In this connection it should be recalled that the union involved in the mining strikes which caused 2/3 of the strike idleness during 1943, is not affiliated with either of these two chief national labor organizations. (Quoted by *In Fact*, Oct. 9, 1944.)

A national referendum on the no-strike pledge, conducted by the United Automobile Workers (CIO) early in 1945, resulted in a vote of 179,998 in support of the pledge, while 99,186 voted against its retention. Of the UAW men in the armed forces, 93.1% voted in favor of the pledge and only 6.9% to the contrary.

## ANTI-LABOR LEGISLATION

Report of executive council to 1943 AFL Convention listed 61 anti-labor laws introduced in Congress in 1943. Of the 20 introduced in the Senate, seven were introduced by Sen. W. Lee O'Daniel of Texas, three by Sen. James O. Eastland of Mississippi and one each by Sen. Harry F. Byrd of Virginia and Sen. Tom Connally of Texas, making a total of 12 introduced by Democratic poll-tax Senators from the South. Of 41 anti-labor bills introduced in the House, 12 were by Clare Hoffman of Michigan, six by Howard W. Smith of Virginia,

three by Luther Johnson of Texas, two by Sam Hobbs of Alabama, a total of 23 such bills introduced by one Republican and three poll-tax Democratic Congressmen.

More such bills were introduced in Congress by the same forces in 1944 and again in 1945. Most bills died in committee or were defeated on the floor.

**War Labor Disputes Act:** This law, also known as the Smith-Connally Act, was introduced in the House by Rep. Howard W. Smith (D. Va.) and in the Senate by Sen. Tom Connally (D. Tex.) during the strike called by John L. Lewis of the United Mine Workers in the spring of 1943. Passed by Congress, it was vetoed by President Roosevelt. Congress overrode the veto and it became law on June 25, 1943. It made illegal all strikes in government-operated war plants. In all other labor disputes, which threaten seriously to interrupt war production, it permitted a strike ballot only after a delay of thirty days. It made unions liable for damages in the event of a work stoppage occurring without proper notice.

Labor unions, which had pledged not to strike during the war period, resented the law as an infringement of their legal right to strike, an aspersions on their war production record and a provocation in that it allowed a small group of employees to demand a strike vote.

This law also prohibits labor organizations from making financial contributions in presidential and congressional elections for the war period and six months thereafter.

**State Anti-Labor Legislation:** Unsuccessful in their attempts to weaken the National Labor Relations Act by amendments or to abolish overtime pay, irresponsible, reactionary employers groups have tried to use the war period to achieve their aims by pushing anti-labor bills through state legislatures. In this they have met with more success. In the words of Pres. Philip Murray in his report to the 1944 CIO convention, "anti-labor groups see their chance to obtain state regulatory acts under the guise of protecting the public interest but really to achieve a return to the day of the open-shop, yellow-dog contracts, and industrial espionage."

Most active in pushing these laws has been the Christian American Association, described as fascist in tendency, with Sen. W. Lee O'Daniel of Texas acting as its leader. This association in 1943 organized the presentation of and support for anti-labor bills in 44 states, including Illinois, Ohio, Pennsylvania and other industrial states. Where, through

the use of the radio, newspapers and direct mail advertising, they were able to drive a wedge between the industrial workers and farmers, they met with some success. Anti-labor laws of one kind or another were passed in 12 states in 1943.

Below we list some of the main anti-labor enactments in various states since 1941. Labor has already contested many of these laws in cases before both the state and federal supreme courts. The legislatures for the most part meet every other year. The years 1941 and 1943 thus yielded most of the legislation on this subject.

#### 1941

*Georgia:* Law prohibiting any strike, slow down or stoppage by a labor organization or local until after 30 days' written notice. Exceptions were made of the railroads and seasonal industries.

*California:* Law prohibiting secondary boycotts.

*Maryland:* Law prohibiting sit-down strikes.

*Texas:* Law making it unlawful and a felony for any person, by use of force or violence or threat, to attempt to prevent any person from engaging in any lawful vocation; declares it unlawful and a felony for any person, acting in concert with one or more other persons, to assemble at or near any place where a labor dispute exists and attempting to prevent persons from engaging in lawful vocations; or collectively aiding or encouraging such unlawful assemblies.

Anti-sabotage laws, introduced in 37 state legislatures in 1941 and passed by 16 (Ark., Calif., Colo., Fla., Me., Md., Mich., N. H., N. M., N. Y., Okla., S. C., Tenn., Utah, Vt., Wis.), were viewed by labor with some concern lest their application be extended to customary trade union methods, such as picketing, boycotts and strikes.

#### 1942

*Mississippi:* A law similar to the Texas law of 1941 was passed with the backing of the Christian American Association.

#### 1943

*Alabama:* Bradford Act requires licensing of labor organizers, filing of financial statements, membership data, constitution and by-laws; bars work permit fees and closed-shop contracts, membership of supervisory employees in a labor union and "outlaw" strikes. The U. S. Supreme Court in 1945 was expected to rule on this, as well as on the acts of some of the other states.

*Arkansas:* Law similar to Texas law of 1941 was passed after Christian American Association carried on extensive campaign.

*Colorado:* Labor Peace Act of this state set the type for many bills introduced into other state legislatures in 1943 and passed in several of them. It provides for compulsory incorporation of unions and auditing of union books by the State Industrial Commissioner. It bars secondary boycotts, sit-down strikes, strikes without a majority vote, irrevocable check-off, contributions for political purposes and picketing under many conditions.

Provision for compulsory incorporation was declared unconstitutional by the Denver County District Court, September, 1943.

*Florida:* Law provides for mandatory registration of unions with the Secretary of State and the licensing of union agents; bars "secondary" (sympathy) picketing, jurisdictional strikes, strikes except by majority vote; permits unions to sue and be sued in their own names.

*Idaho:* Law makes mandatory the filing of complete financial reports; prohibits picketing of agricultural establishments and processing plants; also bars entrance of union officials onto premises of same to carry on union business.

*Kansas:* Law requires registration of all unions and licensing of business agents, filing with the Secretary of State financial reports which are to be made available to anybody. Secondary boycotts, jurisdictional strikes and strikes except by majority vote are barred. Picketing is greatly restricted. The unions instituted suits to test constitutionality of this law.

*Minnesota:* An amendment to State Labor Relations Act bars interference with marketing, manufacturing or processing of agricultural produce and all strikes except by majority vote. Another law bars jurisdictional strikes.

*South Dakota:* Same law as in Idaho.

*Texas:* The Manford Labor Control Act requires registration and licensing of union organizers and annual filing of financial accounts; prohibits boycotts; limits picketing and peaceful assembly.

U. S. Supreme Court, January 8, 1945, held this law a violation of the guarantee of free speech and free assembly in the first amendment of the U. S. Constitution. Decision was made in a test case brought by Pres. R. J. Thomas of Automobile Workers (CIO) who had addressed a labor rally in Texas in September, 1943, without obtaining an organizer's card from the state.

*Wisconsin:* Law limits picketing to employees; bars strikes, except by majority vote, and "violence" by pickets.

*Pennsylvania:* Law bars political contributions by unincorporated organizations.

Laws similar to those mentioned above were introduced into legislatures of 31 other states in 1943 but failed to pass.

1944

Florida and Arkansas both passed constitutional amendment barring closed shop contracts. Christian American Association and related fascist interests are attempting to obtain similar amendments in other states in 1945, even though one was defeated in California in the 1944 election.

## NATIONAL LABOR RELATIONS BOARD

The National Labor Relations Act was, in effect, amended in July, 1943, by a rider attached to the appropriation for the National Labor Relations Board. This forbade the NLRB to order an election for determining the collective bargaining agent where a labor contract has been in existence for a period of three months, no matter how the contract was arrived at. This rider has been referred to as the Frey Amendment, because it was sought by John P. Frey, President of the AFL Metal Trades Department. It was backed by the AFL chiefly to head off a CIO challenge to its status of bargaining agent in a large West Coast shipyard. The amendment had the effect, however, of strengthening company unions.

The objectionable features of the Frey Amendment were eliminated by a rider in the 1944 Appropriations Act. The provision now applies only to contracts between bona fide unions and companies, and requires that any charges of collusion which outside unions might wish to make against the two parties to the contract must be filed within three months of the signing or renewing of such contracts. Such charges must be filed by "an employee or employees." The NLRB has changed its procedure so that a copy of the charge no longer accompanies the complaint, thus protecting the "employee or employees" against reprisals.

**Rulings and Decisions:** Much more far reaching has been the weakening of the Act's protection by the Board's own rulings, decisions and proposals. This trend, which was reported in previous *Labor Fact Books*, has continued in the last two years.

In the American News Co. case, April 16, 1944, the Board automatically denied the protection of the Act to discharged employees because they had engaged in a strike for higher wages thus "violating" the wartime stabilization program.

In the Detroit foremen's case the Board's delays, caused by an inclination to deny foremen the protection rightfully due them under the

NLRA, provoked a strike situation. Foremen were accorded the protection of the NLRA so far as "unfair labor practices" are concerned, the Board decided in the Maryland Dry Dock case, but they were not given the right to bargain as employees. Later, in the Packard Motor Car Co. case, this ruling was reversed and supervisory employees permitted to have unions represent them in collective bargaining.

Board member Gerard D. Reilly put forward the proposal long advocated by the National Association of Manufacturers that employers be permitted to file petitions for elections. This would violate the basic principle of the NLRA that the determination of the collective bargaining agent is a matter for the employees to undertake, not the employer.

As the National War Labor Board will not take a case where the bargaining agent is in dispute (because the Smith-Connally Act forbids NWLB to undertake any of NLRB's functions, and the taking of the case would be tantamount to recognition), this Reilly proposal would lead to employers flooding the NLRB with petitions for elections for the sole purpose of delaying settlements by the NWLB. It would cause unrest and strikes and be extremely harmful to the war effort.

In the Hughes Tool Co. case the Board settled the question of the rights of individual employees to present grievances to their employers. This right exists, the Board declared, but the union with bargaining rights (and no other union) is entitled to be present at every stage of the grievance procedure. Furthermore, the union with bargaining rights has the sole right to bargain concerning the type of grievance procedure which shall exist, or about other terms of the contract, and the procedure which is agreed upon must be followed by all employees.

The Board has consistently ruled that letters written by an employer to employees on the eve of an election to determine the collective bargaining agent may constitute interference, even though they contain no express threat and are not coupled with other actions intended to influence the election. The courts, however, in the Edward G. Budd case, for example, have taken an opposite position and have been upheld by the U. S. Supreme Court's action in refusing to review these cases. As the matter now stands, letters which contain no express threat are permissible as "free speech," but may constitute "interference" provided they are in combination with other harmful actions.

**Elections, Cases, Courts:** The NLRB has given Labor Research Association the following statistics covering the period from July 1, 1941, through September, 1944:

Elections conducted totaled 14,198. In these elections 3,505,802 valid votes were cast. Of the 14,198 elections, only 1,802, or 12.7%, involved AFL and CIO contests.

Of the 1,802 elections in which the AFL and CIO appeared on the ballot, sometimes along with a third union, the AFL won 725, the CIO 930, unaffiliated unions 29, while 118 elections resulted in a no union majority vote.

Of the 14,198 elections conducted, 11,025, or 77.7%, involved only one union.

Of the 11,025 one-union elections, 3,750 were won by the AFL, 4,429 by the CIO, 941 by unaffiliated unions, while 1,905 resulted in a majority vote against the union.

In this period also 32,849 cases were closed. Of these 12,542 involved unfair labor practices, and 20,307 were representation proceedings. Of the 12,542 unfair labor practice cases closed, 11,080, or 88.3%, were closed without the need of invoking formal procedures.

Of the 20,307 representation cases closed, 14,638, or 72.1%, were closed without the need of formal Board action.

Number of cases filed included 12,881 by AFL affiliates, 14,195 by CIO unions, 3,544 by unaffiliated unions, and 1,323 by individual employees in unfair labor practice cases or employers in representation cases.

Compliance notices filed numbered 3,303.

Number of company unions disestablished was 602. Collective bargaining was begun as part of the remedy effectuated by the Board in 1,690 cases.

In this 39-month period 52,871 workers were reinstated and 15,386 workers received back pay amounting to \$5,962,324.

In the period July 1, 1942, through June, 1944, the circuit courts of appeals decided 184 cases in which 134 Board orders were enforced in full, 35 were enforced with modification and 15 were set aside.

The U. S. Supreme Court decided nine cases, enforcing eight Board orders and remanding one to the Board for further proceedings.

## NATIONAL WAR LABOR BOARD

Following President Roosevelt's "hold-the-line" Executive Order 9328 of April 8, 1943, the National War Labor Board turned its policies sharply in the direction of wage freezing.

Up to that time the regulations of the Board had been sufficiently flexible to permit a realistic solution of most wage problems. A notable exception, however, was the Board's Little Steel formula which limited wage rate increases to 15% above the January 1, 1941, level based on the cost of living rise up to May, 1942. This formula was destined to become more oppressive for workers as the cost of living continued to rise higher than the level of May, 1942.

The new policies of the Board after the April, 1943, order meant that it would no longer grant increases in wages to correct gross "inequities" or "inequalities" or to aid in the "effective prosecution of the war." It merely clung to its Little Steel formula and permitted adjustment in wages only where substandards were shown or in connection with promotions, reclassifications, merit increases, incentive wages and the like.

**Wage Freezing:** Application of these policies meant that all wage rates were virtually frozen, for most unionized plants had already received the 15% increase permitted them under the Little Steel formula. The 40 to 50 cent minimums obtainable on the basis of "substandards" were too low to be of help to any except the lowest paid workers. Finally, those increases resulting from promotions, reclassifications, incentive wages and the like did not, in their essence, constitute wage increases.

This drastic wage-freezing policy evoked strong protests from workers and others who pointed out that the war effort would suffer through the application of such rigid limitations on wage adjustments.

**Bracket Ruling:** As a result of these protests the Board asked for authority to restore wage increases where there were inequalities—but only on a regional basis. Thereupon Economic Stabilization Director James F. Byrnes authorized the Board to correct gross inequities and, where necessary for effective prosecution of the war, to grant wage increases up to the minimum of the "going wage bracket" for particular occupations in particular labor market areas.

He also authorized the Board, in order to "aid in the effective prosecution of the war," to grant wage increases in "rare-and-unusual" cases. In such cases increases could be granted above the minima of the going wage bracket but below the maxima.

Under this new bracket principle the minima of the brackets became the maxima of approvable wage increases obtainable on the basis of inequalities. Furthermore, the rates of the lowest-paying plants and shops in a given area tended to become the bracket minima, and thus determined the limits of any permitted wage increases.

**Other Adjustments:** As the brackets in reality eliminated wage increases based upon inequalities, so far as the vast majority of the workers of the country were concerned, there remained only one basis on which their wages might be raised. This was the "adjustments for promotions, reclassifications, merit increases, incentive wages, and the like."

Although promotions, reclassifications and merit increases result in higher wages for the individual worker receiving them, they normally

do not raise the wage levels of the plant he works in, for the worker is merely replacing the person who formerly occupied the higher rated position. And incentive wages, of course, represent only pay for additional work.

On the ground that the right to grant wage increases for such reasons might be abused, the Board, May 26, 1943, issued General Order 31 limiting individual increases, obtainable without Board approval, for any establishment in the course of one year, to an average of five cents per straight-time hour. And the maximum increase for any individual was set at ten cents. The Board has tended to apply this order also in cases requiring approval.

On April 11, 1944, the Board issued amended instructions which hit directly at the chief avenue that had remained open for getting wage adjustments—those based on inequalities among employees within a single plant and those based on automatic promotion plans.

The Board now held that the "expected weighted average" of a range of rates might be raised no higher than the bracket minimum, all above that being charged to the allowances permitted under General Order 31. At the same time it severely restricted the use of job evaluation and related techniques for straightening out chaotic wage structures prevailing in many plants and companies.

**Automatic Progressions:** At the heart of the dispute over individual increases was the question of automatic progressions. The Board pointed out that individual increases might be used as subterfuges by some companies, in the absence of restrictions, to give forbidden wage increases. The unions, on the other hand, stressed what seemed to be the much more likely danger. They contended that a company, by failing to hand out the normal quota of promotions, merit increases and the like, might reduce wage levels, and thus, in effect, give a wage cut to its employees. To guard against this possibility the unions demanded that progressions within a rate range should be automatic, that is, given at stated intervals of time.

The unions also contended that these automatic progressions were necessary if employees of companies paying a range of rates were to have equal treatment at the Board with employees of concerns paying only a single rate for each job. This conclusion followed from the fact that the Board had set the bracket rates for companies which had ranges of rates, 10% below the bracket rates for the single rate companies.

The test case on this question involved the General Electric Co.,

Schenectady, N. Y., and its toolmakers (Electrical Workers—CIO). The Board, while deciding in favor of the company, declared that the decision was not precedent setting, and in a later case, involving Zimmerman Steel Castings and the Farm Equipment Workers (CIO), a decision more favorable to the workers was rendered.

**Policy Trend in 1943-1944:** The most significant rulings and decisions made in connection with labor disputes and wage cases referred to the NWLB in the 1943-44 period, may be summarized briefly. (For details the reader may consult the weekly *War Labor Reports* of the Bureau of National Affairs or the monthly *Labor Analyst* of the Labor Institute of America.)

1. Companies may not take advantage of labor's wartime no-strike pledge to abandon a closed shop or a union shop previously established through collective bargaining. This policy was first stated in the Harvill Aircraft case, February, 1943.

2. Unions which have shown responsibility cannot be denied maintenance-of-membership, this policy of the Board's being reaffirmed in its decision in the Humble Oil and Refinery Co. case, April 1, 1944.

3. Incentive pay for day workers was permitted in a decision involving the Westinghouse Electric & Manufacturing Co. and the Electrical Workers (CIO).

4. Shift and overtime premiums, vacations and similar incidentals were declared permissible up to a level determined by industry-area practice.

5. Portal-to-portal pay, that is pay for the time spent in traveling from the entrance of a mine to the place of actual work, was approved, as was travel time spent by workers in the lumber industry.

6. Increases up to the 50 cents-an-hour minimum wage were permitted without Board approval in each case.

7. Board announced, in the Chicago Transformer Co. case, that it would accept cases where the union's certification of representation under the National Labor Relations Act had expired, whenever there was reasonable doubt that it still represented the majority of the employees. In several later cases, the Board went farther and took cases where the union admittedly had lost its majority.

8. Demand of the unions for the elimination of geographical wage differentials was denied in the steel and other cases.

9. The Board agreed that it would accept wage incentive plans, if jointly agreed to by union and management, and that it would judge

them solely on the basis of whether they are within the wage stabilization program.

**Steel Decision:** On November 25, 1944, the Board announced its decision in the basic steel case dispute involving 86 companies and approximately 400,000 employees represented by the United Steelworkers (CIO). It refused to grant increases in excess of the Little Steel formula and declined to recommend, in a projected report to the President, whether or not the formula should be revised upward.

The steel union's demand for a 17 cents an hour general wage increase was rejected. Shift differentials, amounting to a premium rate of four cents an hour for the second shift and six cents an hour for the third shift, were granted, along with one week's vacation with pay after a year of service and two week's with pay after five years of service. The union's demand for elimination of geographical wage differentials was denied, but the Board stated that this denial should not be construed to prevent correction of inequalities in the wage structure within a plant. The standard voluntary maintenance-of-membership and check-off clauses were ordered to be incorporated or continued in the agreements.

**Montgomery Ward Defiance:** No. 1 defier of NWLB orders continued to be Montgomery Ward & Co. and its board chairman and spokesman, Sewell L. Avery.

The collective bargaining contract that the company finally signed, on order of President Roosevelt, with a local of the United Retail, Wholesale & Department Store Employees (CIO) in December, 1942 (see *Labor Fact Book 6*), expired one year later. The company again served notice that it would not renew the contract or recognize the union. It maintained that the union no longer represented the employees. On January 13, 1944, the Board directed that the terms of the old contract be extended for 30 days until the union applied for a new election to decide the question of representation. The company refused to accept this proposal, canceled the contract, and discontinued its terms forthwith. This defiance of a government directive continued, and the company rejected the unanimous decision of the Board, April 5, that it comply with the January 13 directive.

After prolonged but futile efforts to force acceptance of the Board's order, the union called a strike, April 12, in the Chicago plant and the Board promptly referred the matter to President Roosevelt who, on April 23, ordered the strikers to return to work. The Army was com-

elled to seize the plant a few days later when company officials refused to turn over the plant to government representatives acting under an Executive Order issued April 25. Sewell Avery refused to vacate his office until forcibly ejected. A temporary Federal injunction had to be obtained by Attorney General Biddle to prevent company officials from interfering with government operation of the plant. The property was returned to the company, May 9, after the union established its right to represent the employees by easily winning the Board election.

Later in the month, the President was forced to issue an order to seize the Hummer Mfg. Co., a division of Montgomery Ward, because of its refusal to comply with a Board directive in an identical dispute between the union and management.

President Roosevelt, December 28, 1944, was once again compelled to order the Army to occupy the Ward plants and property in Detroit, Dearborn and Royal Oak, Michigan, Jamaica, N. Y., San Rafael, Cal., Portland, Ore., Chicago and Denver. This action was taken on advice of William H. Davis, chairman of the Board, who stated that "the persistent non-compliance of Montgomery Ward & Co. with the directive orders of the WLB unduly impedes and delays the war effort." Following the same pattern of resistance to executive authority set by their chief a year before, 11 managers of seized stores refused to co-operate with government officials and were removed by the Army.

The company contends that it is not connected in any way with war production or distribution and therefore does not come under the jurisdiction of the War Labor Disputes Act. The government has shown this contention to be unjustified, since the second largest mail order house in the country is a vital cog in the war effort at home.

However, Judge Philip L. Sullivan of the Federal District Court decided, January 27, 1944, that the President had exceeded his authority in seizing the Ward plants. The government is appealing this decision to the higher courts.

In an earlier decision the U. S. Supreme Court, by refusing to hear an appeal brought by the company from a decision of a District Court, had held that War Labor Board orders are not reviewable in the courts.

**Three-Year Report:** In the first three years of its activity the Board reported, January 14, 1945, it had closed about 362,000 voluntary and dispute cases affecting about 24,000,000 employees. Voluntary wage adjustment cases, numbering about 350,000, involved an estimated 16,000,000 workers.

It reported also that employers and workers had given "almost universal compliance" to Board orders. Governmental seizure of plants or facilities had been necessary only 25 times during the three-year period, out of 14,000 disputes received.

Of 31 cases referred to the President, 14 had been cases of defiance by employers (Montgomery Ward and others) while 17 had been union cases, and in four of these the employees returned to work before seizure.

Appeals to the national Board were not as numerous as commonly supposed. Employers and unions accepted initial rulings of the regional boards and commissions in about 83% of the cases. When decisions were referred to the national Board, original rulings were reversed in less than one-half of 1% of the appeals.

Labor has complained of the delay in settling cases, and especially at those which result when an employer refuses to comply with a Board directive. It charged that the Director of Economic Stabilization and the Director of War Mobilization had contributed to this situation. The CIO contends that no effort has been made to streamline the procedure of the Board and that employers have been permitted "to enjoy a field day through long delays, appeals and reconsideration of cases . . .," as Pres. Philip Murray pointed out in his report to the 1944 CIO convention. At the same time labor opposes changing the law to permit review of board decisions in the courts. For this would only lengthen the delays. Pres. Murray declared: "If the board were to only exercise the authority which it actually has, many of the problems which now confront labor would not have arisen."

## VI. LABOR AND SOCIAL CONDITIONS

### DISTRIBUTION OF INCOME

Half the families in the United States had incomes of less than \$2,000 in the wartime year 1942, while 35% had less than \$1,500. This was the estimate of the Office of Price Administration's division of research in its study of *Civilian Spending and Saving, 1941 and 1942*, issued March 1, 1943.

About 62% of all families had incomes of less than \$2,500 in the year; 70% had less than \$3,000. Only a little group of 2.3% of all families had \$10,000 and over.

Here are the figures, as estimated in this OPA study:

#### DISTRIBUTION OF FAMILIES BY MONEY INCOME LEVEL, 1942

Income level	Families	
	Number	Per cent
Under \$500	2,319,000	6.9
\$500-1,000	4,604,000	13.8 <del>20.7</del>
1,000-1,500	4,837,000	14.5 <del>18.2</del>
1,500-2,000	4,920,000	14.7 <del>19.9</del>
2,000-2,500	3,953,000	11.9 <del>61.8</del>
2,500-3,000	2,852,000	8.5 <del>70.3</del>
3,000-4,000	4,236,000	12.7 <del>83.0</del>
4,000-5,000	2,486,000	7.5 <del>90.5</del>
5,000-7,500	1,805,000	5.4 <del>95.9</del>
7,500-10,000	597,000	1.8 <del>97.7</del>
10,000 and over	751,000	2.3 <del>100.0</del>
All levels	33,360,000	100.0

Including about eight million single consumers in the distribution, in addition to the 33,000,000 families, the OPA survey concludes: "Spending units with incomes of less than \$1,500 in 1942 comprised about 41% of the total number, but received only 14% of aggregate money income.

This group was able to purchase only 19% of total consumer goods and services.

Persons in this less than \$1,500 group, the OPA study points out, were just barely able, on the average, to maintain even their usual low living standards out of current income. A substantial part of this low income group actually spent on current living more than they received as income.

The group with incomes of \$5,000-\$10,000 in 1942 comprised 6% of all spending units and received 16% of aggregate income. They accounted for 24% of aggregate savings.

High income groups receiving incomes of \$10,000 and over, comprised only 2% of all spending units, but obtained 16% of total income. They accounted for 31% of aggregate savings but for only 7% of total consumption.

These OPA figures show that in 1942 only about 38% of all families in the United States had as much as \$2,500. Yet the Heller budget (see below) called for at least \$2,500 in that year to provide for the "standard health, decency and moral well-being" of a wage earner's family of four. For the family of a white collar worker or an executive the standard Heller budget called for much larger amounts.

### COSTS OF FAMILY BUDGETS

In issuing its monthly indexes of the "cost of living" in large cities, the U. S. Bureau of Labor Statistics has recently taken account of labor's charge (see below) that the index has not adequately expressed the rise in wartime living costs. The bureau says:

The index does not show the full wartime effect on the cost of living of such factors as lowered quality, disappearance of low-priced goods and forced changes in housing and eating away from home.

It does not measure changes in *total* "living costs"—that is, *in the total amount families spend for living*. Income taxes and bond subscriptions are not included. (Emphasis in original.)

To the extent that these BLS index figures fail to represent the actual rise in workers' living costs (see below) they are inadequate for pricing various standard family budgets. This should be remembered in considering the two types of budgets described below, both of which are priced, on a national basis, by using the BLS index.

**"COST OF LIVING" IN LARGE CITIES**

(1935-39 = 100)

<i>Date</i>	<i>All items</i>	<i>Food</i>
1939 August 15	98.6	93.5
1941 January 15	100.8	97.8
1942 May 15	116.0	121.6
1942 September 15	117.8	126.6
1943 November 15	124.2	137.3
1944 November 15	126.6	136.5
1945 January 15	127.1	137.3

**Heller Budget:** A quantity and cost budget to provide for the "standard health, decency and moral well-being" of a wage earner's family has been prepared and priced for several years by the Heller Committee for Research in Social Economics at the University of California. It is based on the needs of a four-person family consisting of a father and mother, boy of 13 and girl of eight.

As of March, 1944, this Heller budget called for \$2,964 a year, or about \$57 a week for a wage earner's four-person family in San Francisco. Translating these San Francisco prices into a rough national average for large cities of the United States, it was estimated that approximately \$2,800 a year, or about \$54 a week, was needed in 1944 to provide the Heller budget standard for a four-person family.

Here is the Heller Committee's wartime budget, priced for March, 1944, for a wage-earner's family of four in San Francisco:

**YEARLY BUDGET FOR A FOUR-PERSON FAMILY OF A  
WAGE-EARNER AS OF MARCH, 1944**

(Figures include California retail sales tax)

<i>Item</i>	<i>Wartime budget</i>
Food	\$ 920.97
Clothing	279.73
Housing (rent and water)	408.00
House operation	117.54
Furnishings	15.80
Miscellaneous	681.81
Taxes	245.28
Government bonds	295.00
Total	<u>\$2,964.13</u>

Included among miscellaneous items was \$179 for medical care; \$113.38 for life insurance premiums; and \$53 or only about \$1 a week for recreation for the whole family.

In issuing its March, 1944, wartime budget, the Heller Committee explained: "Because of the demands of a wartime economy, the peacetime standard of goods and services for this family has been curtailed insofar as seemed reasonable and desirable." As shown above, the budget allows for wartime taxes while the purchase of war bonds is assumed to take 10% of the annual income.

**"Maintenance" Budget:** For 33 cities of the United States, the U. S. Bureau of Labor Statistics has priced the "maintenance level" family budget, first worked out by the Works Progress Administration in 1935. Planned for a four-person family of an unskilled manual worker, this budget was described by the WPA as one that "does not approach the content of what may be considered a satisfactory American standard of living."

This low maintenance budget was priced in a BLS release called "Estimated Intercity Differences in Cost of Living, June 15, 1943" (latest available), as follows: Atlanta, \$1,641.23; Boston, \$1,716.69; Chicago, \$1,778.64; Detroit, \$1,798.05; New York City, \$1,816.12; San Francisco, \$1,807.11.

This bare "maintenance level" budget for a family of four required about \$34 a week for the average family in 33 cities even in June, 1943. A worker would then have had to net this much in take-home pay every week in order to support his family on this very low budget basis.

## LABOR AND THE "COST OF LIVING" INDEX

Economic stabilization as outlined by the President in his original seven-point program was an indivisible program for the war period. (See *Labor and the War*, Ch. II.) The fundamental purpose was to stabilize both prices and wages to prevent inflation. The National War Labor Board had the job of holding wages in line.

In July, 1942, in its "Little Steel" decision, the Board announced its intention to hold hourly wage rate increases to 15% above the January, 1941, level. It based this on the "cost of living" figures of the U. S. Bureau of Labor Statistics which showed a rise of only 15% between January, 1941, and May, 1942.

When the Little Steel formula became obsolete with further advances

in the BLS index, the unions asked the Board for a revision of its wage policy to permit adjustments commensurate with the real rise in the cost of living. Labor pointed out, furthermore, that the BLS index did not adequately reflect changes in wartime living costs.

As a result of labor's representations the President on November 5, 1943, created a Cost of Living Committee to investigate the validity of the BLS index.

This committee was composed of William H. Davis, Chairman of the NWLB, two industry and two labor members, Secretary-Treasurer George Meany of the AFL and President R. J. Thomas of the United Automobile Workers (CIO). These two labor members submitted a report of their findings to the committee as a whole on January 25, 1944. (This report was later issued as a pamphlet entitled *Cost of Living*, CIO Publications, No. 101.)

The joint AFL-CIO report stated that from January, 1941, base date of the Little Steel formula, to December, 1943, the cost of living of wage earners and lower salaried workers had risen by at least 43.5%. The BLS had reported a rise of only 23.4% for the same period.

The CIO-AFL survey showed that the BLS understated price rises in the principal components of the index—food, clothing, rent and house furnishings. No independent study was originally made of the miscellaneous and fuel groups. Here are the increases in the components found by the labor group and the BLS:

#### PERCENTAGE INCREASES, JANUARY, 1941, TO DECEMBER, 1943

<i>Commodity group</i>	<i>CIO-AFL report</i>	<i>BLS index</i>
Food	74.2	40.2
Clothing	72.2	33.7
Rent	15.0	3.0
Fuel, etc.	8.6	8.6
House furnishings	62.0	27.8
Miscellaneous	15.9	15.9
All commodities	43.5	23.4

Following are the labor report's principal points of criticism of the BLS index.

**Food:** 1. The BLS prices a selected sample of food items on the market. It studies these foods by groups, letting price changes of a few items within the group represent the change for the entire group.

The labor report shows that the "prices of goods not priced by BLS have risen twice as fast as prices of the priced foods."

The food items priced by BLS are, for the most part, those most effectively controlled by OPA and through subsidies, whereas OPA has permitted rises in many foods not included in the index.

2. Upgrading and quality deterioration are not adequately measured by the index. The report points to the example of selling lower grade cuts of meat at higher grade prices. Hidden price increases due to deterioration of quality are most marked for fresh fruits and vegetables, where wastage now is greater and bunches are smaller.

3. The disappearance of week-end special sales as a factor in increased prices is not recognized by the BLS. As it collects its food data exclusively on Tuesdays, it has never reflected the lower prices formerly paid by workers, but no longer available.

4. The BLS ignores the greater rate of increase in restaurant prices than in retail food prices, despite the fact that workers, because of changed family conditions, are forced in wartime to eat more meals away from home.

5. The index understates price rises which violate OPA ceilings.

**Clothing:** 1. The BLS has underestimated the effects of quality deterioration—poorer workmanship, inferior materials and lowered inspection standards. Declines in wearing quality were found to be especially marked in low-priced clothing lines, those commonly purchased by workers.

2. Trading up and the disappearance of low-end items have added greatly to the worker's clothing costs. These factors result when the manufacturers find it more profitable to produce higher priced items and to discontinue the production of lower priced goods. With serious shortages in items customarily purchased, workers are now forced to buy more expensive items.

3. Other factors not adequately covered by the index are the ineffectiveness of OPA in maintaining ceilings, especially in items where style and other factors are not easily defined and the significant decline in special sales, markdowns and discounts.

**Rents:** 1. The sample used in compiling the rent index omits small and medium-sized cities and boom towns, which have felt the impact of wartime conditions more than the large cities. Of the 34 large cities covered by the BLS, only seven are considered "Congested Production Areas." Furthermore, the BLS does not study rentals in the outlying

and suburban areas where shortages and congestion are most prevalent.

2. During the period of greatest rise in rentals, 1941 and most of 1942, BLS obtained its data from rental management agencies, which operate under long-term leases and are the most stable section of the rental market.

3. BLS confines its index to rentals of family dwelling units, completely ignoring rooming houses, trailer camps, hotels and light house-keeping rooms. Vast population movements to war centers and changes in family living habits have made this type of housing a major factor in housing war workers. And because OPA has found it almost impossible to control rentals of such dwellings, the result has been a steep increase in rental costs of many war workers.

4. Violations and evasions of OPA controls and upward adjustments in ceilings are not fully measured by the index.

5. "The index," states the labor report, "does not attempt to measure deterioration in the quality of housing, nor, more serious, decreased maintenance, repairs and service on the part of the landlord which are shifted in considerable degree to the tenant."

**Housefurnishings:** 1. The Bureau's sample is inadequate both in the number and type of stores it covers and in the number of items priced. It concentrates on mail order and department stores (where prices are more effectively controlled), despite the fact that the volume of trade of individual specialty stores is more than three times greater.

2. Specifications on the few items priced are so broad that quality is virtually ignored in reporting prices. Structural changes and the substitution of inferior materials, especially in furniture, are not reflected in the index.

3. Upgrading, disappearance of low-cost lines and decreased usability occurred in all items from sheets and blankets to kitchen utensils, but these factors are vastly understated in the index.

**Miscellaneous:** Although it was felt that the BLS understated the rise in this category (miscellaneous costs include transportation, medical care, recreation, personal care, etc.) time did not permit completion of labor's findings for inclusion in the report and the BLS index was accepted in computing the overall index.

**Omitted Factors:** The CIO-AFL report states that the increase of 43.5% in living costs (from January, 1941, to December, 1943) is based on minimum findings and does not include the effects of such important factors as black markets, changing family expenditures, war centers,

moving expenses, dual places of residence, increased taxes, war bond and other savings that lower disposable income.

**Mitchell Committee:** An advisory committee of economists, headed by Prof. Wesley C. Mitchell, was requested by Chairman Davis of the Board March 1, 1944, to appraise the BLS index. The report of this committee, submitted June 15, 1944, stated that "because the BLS has, for the most part, attempted to measure price change only it seems highly desirable to describe its index as a price index." In other words the BLS index is not an index of the cost of living but only reflects, at best, the movement of retail prices.

The Mitchell committee estimated that hidden price increases not measured by BLS would add an additional three to four percentage points to the overall index, bringing the increase from January, 1941, to September, 1944, to 29% or 30%.

**Final CIO Report:** Following issuance of the Mitchell report the CIO published a revised study (*Living Costs in World War II*, by Philip Murray and R. J. Thomas, CIO Publications No. 107). It found that the rise in wartime living costs from January, 1941, to March, 1944, was 45.3%, although the BLS index for this period showed a rise of only 22.8%. The new CIO study estimated the rise in all components of the index including fuel and miscellaneous. It measured not only the price factor but all of the other factors that affect the cost of living of workers in wartime.

**Final Board Report:** On November 17, 1944, Chairman Davis submitted his report to the President. It reflected the opinions of the Mitchell Committee and emphasized that the BLS does not try to measure the cost of living in the sense of changes in the total amount of family expenditures. Letters from R. J. Thomas and George Meany, submitted with the report, stated that wartime changes in the manner of living should be taken into account in fixing wage rates. Mr. Thomas said: "Our studies indicate that the conclusion of the Mitchell Committee is most conservative," and "must be regarded as a minimum." He concluded that "the BLS index cannot appropriately be used for wage-adjustment purposes."

## WAGES AND WAGE RATES

Weekly earnings in manufacturing industries averaged \$47.45 in December, 1944. In reporting this average, the U. S. Bureau of Labor Statistics pointed out that "Such factors as longer hours of work, merit increases for individual workers, premium pay for overtime worked, changing composition of the labor force within plants, shifts in the distribution of workers among plants and among industries, as well as wage-rate increases, account for the rise in earnings" above the prewar average. (*Monthly Labor Review*, Jan., 1945.)

Here are the average weekly earnings of factory workers in all manufacturing, durable goods (including war equipment) and non-durable goods industries, for selected months between January, 1939, and December, 1944:

### AVERAGE WEEKLY EARNINGS OF FACTORY WORKERS

<i>Year and month</i>	<i>All manufacturing</i>	<i>Durable goods</i>	<i>Non-durable goods</i>
1939: January	\$23.19	\$25.33	\$21.57
1940: January	24.56	27.39	22.01
1941: January	26.64	30.48	22.75
1942: January	33.40	38.98	26.97
July	36.43	42.51	28.94
October	38.89	45.31	30.66
1943: January	40.62	46.68	32.10
July	42.76	48.76	34.01
October	44.86	51.26	35.18
1944: January	45.29	51.21	36.03
August	45.88	51.84	37.15
December	47.45	53.69	38.40

**Low Hourly Rates for Many:** Despite high wartime wages for many workers, especially in the durable goods industries, there were still about 4,000,000 wage-earners in the United States in September, 1944, who received less than the 40 cents an hour minimum rate. L. Metcalf Walling, wage-hour administrator under the Fair Labor Standards Act, reported at that time: "Actually, there are more workers without its protection than are covered by the act. Parallel state legislation is needed to provide a similar bulwark against postwar wage slashing, deflation and consequent unemployment."

It is estimated that some ten million men and women, doing essential war work, receive less than 50 cents an hour.

The National War Labor Board through its wage stabilization division, research and statistics branch (Report No. 24, July 15, 1944), found that two-thirds (64.8%) of the nation's industrial wage-earners in January, 1944, had wage rates of less than 90 cents an hour. Only 8.2% of all non-agricultural employees had hourly rates as high as \$1.30 or more.

Covering all wage-earners except agricultural and government employees, domestic servants and professional workers, this comprehensive survey of hourly wages served to answer those who claimed that wages had skyrocketed in wartime. The report explained that in some instances average hourly earnings were used as the equivalent of wage rates.

About one-fifth (21.7%) of all the workers covered in this survey earned less than 50 cents an hour. More than a third (34.3%) earned less than 60 cents. Most of these lower paid employees were in the trade and service fields, including hotels, laundries, cleaning and dyeing plants.

Only those earning as much as \$1.35 an hour, \$54 a week, or about \$2,800 a year are able to provide for a family of four the standard of living called for by the Heller Committee budget.

**Annual Wage Proposed:** Pointing out that a substantial increase in the income of American workers must be an immediate objective of postwar planning and policy, the CIO in 1944 proposed a guaranteed annual wage as one means to this end. It urged the federal government to endorse such a principle and encourage its incorporation in collective bargaining agreements. Big CIO unions, such as the Automobile Workers, Steelworkers, Shipbuilding Workers, Rubber Workers and Electrical, Radio & Machine Workers have recently gone on record for the guaranteed annual wage. The CIO's 1944 convention called it a "further necessary step for full employment," and asked for its incorporation in collective bargaining agreements.

While professors and teachers are hired on a yearly basis and civil service jobs give security to government employees, wage-earners are dependent upon economic conditions. Their only means of existence can suddenly be taken away from them through no fault of their own.

A guaranteed annual wage, the CIO points out, would mean greater security for the family and for the community. It would enable workers to purchase more of the goods they produce, thus stimulating business through mass purchasing power.

On March 20, 1945, President Roosevelt ordered a study of the guaranteed annual wage by the advisory board of the Office of War Mobilization and Reconversion. He said the question "is closely connected with the problems of reconversion and the transition from a war economy to a peace economy."

At the same time the U. S. Bureau of Labor Statistics reported that it had just completed a study of union agreements covering 8,000,000 workers. It found guaranteed wage or employment provisions covered only about 42,500 of these workers.

**Higher Minimum Urged:** Both AFL and CIO in 1944 conventions urged that the minimum wage be sharply increased above prevailing sub-standard levels.

Sen. Claude Pepper (D., Fla.) in 1944 introduced a resolution in Congress (Sen. Con. Res. 48) to make 65 cents an hour the minimum wage. Any wage rate less than 65 cents an hour, "for the period of the present emergency," would be a "sub-standard" wage under this measure.

## INCENTIVE PAY PLANS

During the last two years many incentive pay plans have been introduced in plants engaged in the production of war materials. Labor, management and government recognized that monetary returns for extra work provided a most effective stimulus to increased war output.

War Production Board reported that about a million workers were affected by new incentive plans during 1944. Use of these plans was marked by an increase in production per man-hour of about 40% during the first 90 days after their institution. In the critical forge and foundry industry reports on 44 plans indicated an increase in productivity of 35.3%. In the radio and radar industry 64 plans, affecting 27,200 employees, showed an increase of 51% in productivity.

Another 71 plants in the Boston area showed a 25% increase in production after the establishment of such plans.

Before the war, many unions opposed wage incentive plans because of the bad practices by management frequently associated with them. Other unions, such as the Electrical, Radio and Machine Workers (CIO), organized in plants where incentive pay systems were an established practice, worked toward developing adequate controls and safeguards for the workers. They were successful in eliminating exploitive

practices on the part of management and in keeping workers informed on the operation of the systems and of their rights under them.

The war has acted as a stimulus to the extension of production bonus plans and to labor's broad acceptance of them. With all available manpower utilized, and hours of work greatly extended, incentive pay procedures operated still further to increase productivity and with it the take-home pay of the workers.

Labor has tended to accept incentive plans mainly for these reasons:

1. It was recognized that it would mean increased output and would help win the war.

2. Since labor was putting in extra effort during the war, incentive pay enabled it to share in the returns from the increased productivity.

3. With the cost of living rising and wage rates frozen under the stabilization program, an incentive system was one of the few legal outlets for increasing earnings to help meet the new conditions.

4. Many unions had successfully worked out piecework plans, and had incorporated into union contracts the necessary safeguards against unfair and incorrect management practices.

5. War Labor Board encouraged incentive plans, requiring management and labor agreement on a plan before its approval.

Some unions, however, especially in the AFL, continued to maintain their traditional opposition to incentive pay.

Many of the recently initiated incentive plans will continue after the war. Unions will insist that there be no reduction of employee earnings, and progressive managements will be prepared to maintain pay systems that make for increased efficiency in the reconversion and postwar periods.

A full-employment economy after the war, in which labor has job protection and security, will make such plans more acceptable to the unions.

## HOURS OF WORK IN WARTIME

Under the stress of wartime demand for goods and with a limited amount of manpower available, hours of work in American industry increased steadily from the middle of 1940.

For manufacturing industries average hours worked per week increased from an annual average of 37.7 in 1939 to 38.1 in 1940, 40.6 in 1941, 42.9 in 1942, 44.9 in 1943 and 45.2 in 1944.

Highest average actual hours worked for any month in 1943 was reached in November at 45.5 hours. After that the hours of employment were generally lower, varying from month to month, but the average was up to 45.6 in December, 1944.

In discussing figures on the average workweek the *Survey of Current Business* (March, 1944) of U. S. Department of Commerce refers to the wide difference in the length of the workweek as among industries and industry groups. The average workweek in the durable goods industry group, as a whole, in 1943 was 46.6 hours while in the non-durable goods group the average was only 42.5 hours.

Longest average workweek was maintained in the machine tool industry which reached a peak of 54.6 hours in March, 1942. But after the tooling-up period of the war program had passed, this industry declined in average number of hours worked and by September, 1943, was down to 48, rising later to 52 by December, 1944.

In nonmanufacturing industries there were also substantial increases in average hours worked per week during the war years. The largest increases were in coal mining and in the oil and gas industries. Only exception to the general trend to a longer workweek among the non-agricultural industries was in retail trade, where average hours worked per week declined slightly, from 43 in 1939 to about 41 both in 1943 and in 1944.

**Forty-eight-Hour Wartime Workweek:** By the spring of 1944 the 48-hour minimum scheduled workweek established by President Roosevelt (see *Labor Fact Book 6*) had been made mandatory in 135 of the labor market areas classified by the War Manpower Commission. These included 18 of the 30 cities in the nation reporting populations in 1940 above 300,000.

**Payment for Overtime Work:** As a result of the increase in hours beyond the 40-hour weekly standard, compensation for overtime work reached a peak of \$12 billion in 1943. Of this amount \$3.6 billion represented premiums over straight-time rates for overtime hours.

More than half the total overtime payments went to wage-earners in manufacturing industries. Workers in the durable goods manufacturing industries alone received about \$5.2 billion in wages for overtime work in 1943.

Within the manufacturing group the proportion of overtime payments varies with the industry's participation in war production. For example, overtime wages in the machinery group amounted to more than 27%

of that industry's total wages but in the textile and apparel group they amounted to less than 9%.

Reduction of hours to the normal number after the war, assuming no increase in wage rates, would mean a substantial decline in purchasing power. It is estimated that for industry generally to go back to the 40-hour week, with no change in regular rates of pay, would bring a reduction of over 16%. And it would mean a cut of a third or more in the incomes of those engaged in war production where the hours have been longest and the pay highest.

**Effects of Long Working Hours:** The 40-hour week and the 8-hour day yield the highest output. This is the conclusion of the U. S. Bureau of Labor Statistics after a study of 12 metalworking plants. (*Monthly Labor Review*, Oct., 1944.)

Although hours worked beyond 40 or 48 a week do yield additional output, this is accomplished "at the price of continuous decreases in efficiency and marked increases in absenteeism as hours rise. A point is finally reached at which the longer work schedule is no more productive, and actually may be less productive, than a shorter work schedule. With few exceptions, the longer working time in the plants studied resulted in a general slowing down, not only during the added hours but throughout the entire workweek."

Another point illustrated by this government study supported the findings of previous American and British investigations that "the 7-day week, as a steady program, is uneconomic and may actually result in less production than the 6-day week."

The survey led to the conclusion that there is no such thing as an "optimum hour schedule" for all of industry. "What appears to be a satisfactory schedule of hours for a plant with light machining operations may be economically wasteful in a foundry."

It found also that "there is a marked difference in the performance of men working under wage incentives and those working at straight hourly rates without any kind of wage incentive. Much depends on the type of work and the requirements it exacts from workers, the degree to which workers can control the speed of operations, and the incentives which motivate them—whether in the volume of pay, participation in the war effort, labor relations, or working conditions generally."

**Absenteeism and Accidents:** The relationship between longer hours and absenteeism, the study found to be the same in nearly every case. "As hours increased—whether daily or weekly—absenteeism increased."

And as a rule absenteeism was higher for the nightshift than for the day shift when the work schedules were lengthened.

Finally, the study found that in the absence of effective safety programs "work injuries tended to occur relatively more frequently under longer hours. In one plant they occurred only one-third as frequently when the daily hours were reduced from 10 to 8."

## EMPLOYMENT AND UNEMPLOYMENT

At the peak of war employment in July, 1943, there were 54,750,000 employed persons in the United States, the Bureau of the Census estimated in its monthly reports on the labor force. This compared with 48,010,000 in July, 1940, when the national defense program was getting underway.

The number of unemployed was estimated as 8,410,000 in July, 1940, gradually declining to only 680,000 by November, 1944. During these four years, the number in the armed services of the United States increased from less than 500,000 in mid-1940 to around 12 million by the end of 1944.

Counting the total civilian labor force of about 55,000,000 (July, 1944), and 11,600,000 then in the armed forces, the manpower resources of this country in 1944 totaled over 66,000,000 persons.

Here are the numbers of employed and unemployed, and of the total civilian labor force, as estimated by the Bureau of the Census during the war years:

### LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

<i>Date</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Total civilian labor force</i>
1940, July	48,010,000	8,410,000	56,420,000
1941, July	51,310,000	5,240,000	56,550,000
1942, July	54,340,000	2,430,000	56,770,000
1943, July	54,750,000	1,290,000	56,040,000
1944, July	54,000,000	1,000,000	55,000,000
November	51,530,000	680,000	52,210,000

Of the 52 million in the civilian labor force in November, 1944, about 43.4 million were in non-agricultural work. The remainder were farmers, working members of their families and farm wage-workers.

Most of the increase in employment during the four war years was in manufacturing. Number of employees in these industries rose from 10,500,000 in mid-1940 to 16,100,000 in mid-1944—a gain of over 55%. Most of the newcomers were making things not ordinarily used in peace-time; about two million of them were making ships and airplanes. About 10,400,000 were employed in the munitions industries in November, 1943, but had decreased to 9,300,000 by September 1944.

Factory employment reached its peak in November, 1943, at 17,238,000 but had fallen to 15,700,000 by October, 1944. This decrease reflected the withdrawal of workers into the armed forces, the cutbacks in, or completion of, many war contracts, the rise in labor productivity in war plants and the declining output in some consumer goods industries.

Biggest drop in employment in 1943-44 was in the construction industry. Employment in this line was around 1,750,000 in 1939 and hit a wartime peak of well over 2,000,000 workers in 1942. But by October, 1944, it was down to about 659,000.

**Manpower Shortages in 1944-45:** While total employment began to decline in 1944 and the over-all manpower situation eased appreciably, many districts were still listed by the War Manpower Commission as areas where "acute labor shortage" existed. In a good many such areas, labor shortages threatened to endanger essential war production.

Postponement of victory in Europe resulted in new orders for war materials at the end of 1944. In January, 1945, the War Manpower Commission listed the critical jobs in 35 general categories of essential activities. Industries in which the labor market in certain areas was considered stringent included ordnance, shipbuilding, foundries, food processing, electrical equipment, lumber and textiles.

**Sixty Million Postwar Jobs:** Full employment in the postwar period would mean jobs for all who want to work. This would include the majority of those who were in the civilian labor force in 1944 and those who return from service in the armed forces and are able to work.

It is estimated by some that possibly three million of the women who had jobs in mid-1944 may not seek work after the war is over. Progressive organizations urge that the three million boys and girls, between 14 and 17 years of age, who were at work in 1944 should return to the classroom and finish high school before taking jobs in industry.

On such a basis President Roosevelt in his Chicago speech, October 28, 1944, estimated that an adequate postwar program must "provide America with close to 60,000,000 productive jobs." (See Ch. II.)

## INDUSTRIAL ACCIDENTS

For every day lost by strikes or lockouts in 1943, American production lost 20 days through accidents, the War Production Board announced, November 11, 1944. "Occupational disability and deaths were responsible for the loss of 270,000,000 days of work during 1943, the equivalent of an entire year's work of 900,000 men and women."

U. S. Bureau of Labor Statistics estimated that approximately 2,414,000 persons sustained work injuries during 1943, the highest number for any year in the last decade. This injury total was about 6% greater than in 1942.

A total of 18,400 workers were killed in 1943; 1,700 were permanently and totally disabled and 108,000 suffered permanent partial impairments. Agriculture accounted for 4,800 of the deaths—highest number of any industry. In manufacturing, injuries increased by 26% above the 1942 total.

In ten industries vital to the war effort, the Office of War Information reported the days lost from accidents per 1,000 workers and the injury frequency rate in 1943, as follows:

<i>Industry</i>	<i>Days lost per 1,000 workers</i>	<i>Injury frequency rate<sup>a</sup></i>
Logging	29,072	82.2
Lumber products, miscellaneous	5,983	37.1
Ammunition, heavy	4,054	19.0
Shipbuilding and repair	3,792	31.5
Canning and preserving	3,136	25.3
Guns and related equipment	2,778	15.5
Rubber tires	2,549	14.5
Motor vehicles	2,477	13.6
Cotton goods	2,103	16.7
Tanks	632	12.2

<sup>a</sup> Frequency rates represent the average number of disabling industrial injuries for each 1,000,000 employee-hours worked.

Of these ten industries only tank construction had an average work loss of less than one day for each worker. In logging, the average rate was 29 days lost for each worker.

**Accidents in 1944:** A total of 2,230,400 persons were disabled in industrial accidents in 1944, the U. S. Bureau of Labor Statistics re-

ported. This was 8% less than in 1943. These accidents resulted in a loss of actual working time of more than 43,600,000 work days, equal to full annual employment for 145,000 workers.

**Accident Prevention:** Basic causes of high accident rates in industry are lack of adequate safety training, lack of proper supervision and lack of suitable and effective mechanical guards, the Department of Labor pointed out. It called for a 40% reduction in industrial accidents in 1944. The WPB's industrial health and safety section reported in March, 1944, that "the basic responsibility for an adequate safety program is that of management."

By the fall of 1943 the in-plant safety training courses for foremen, under the direction of the U. S. Department of Labor, were being conducted in plants involving the safety of more than 12.5 million war production workers.

Labor-management production committees helped greatly in keeping down accidents during wartime. Officials of the WPB said that without the safety efforts of these committees the total loss in output would have been far greater.

In Cleveland, Ohio, for example, the safety program advanced by the labor-management committee of United Automobile Workers (CIO) and the White Motor Co. reduced the number of man-hours lost from accidents in 1943, despite an increase in total man-hours worked and an influx of new workers. In Massachusetts the state CIO reported an overall reduction of 65% in industrial accidents through the work of labor-management committees.

**Uniform Legislation Needed:** Laws and regulations dealing with workers' safety and health vary from state to state. Some states are handicapped by the lack of adequate legislation. Some have not made adequate appropriations for enforcing the existing laws.

Labor organizations favor the enactment of uniform laws. The CIO, for example, at its 1944 convention called upon Congress to adopt a national law establishing minimum standards covering conditions of employment dealing with health and safety. It decided also to draw up a proposed uniform law on industrial health and safety and to sponsor and encourage its adoption by the legislatures of all states. It also initiated an educational campaign on the subject.

These recommendations for uniform legislation are in accord with those made by the Eleventh National Conference on Labor Legislation (December, 1944) sponsored by the U. S. Department of Labor.

## INDUSTRIAL HEALTH HAZARDS

Despite increased production and war conditions, control of occupational health hazards improved during 1943-44. For example, in World War I in one TNT plant alone there were 105 deaths from occupational diseases. In the present war only 14 have been reported in 20 plants.

U. S. Public Health Service, Department of Labor, local health and labor department units, Army, Navy, Maritime Commission, trade union leaders and some progressive-minded employers have co-operated in increased industrial hygiene activities to establish this better record. Experts recognize, however, that many problems of industrial health are still unsolved.

In the chromate, logging and lumber industries, conditions were so bad in 1944 that men were unwilling to work under such hazards and a labor shortage resulted. In slaughtering and meat packing, health hazards were so great that the Department of Labor called a conference in May, 1944, to plan a health program for these industries.

In shipbuilding increased production resulted in greater hazards from lead poisoning caused by zinc and lead fumes and spray painting. In a parachute plant in Kentucky, 137 cases of acute carbon tetrachloride poisoning and many other chronic cases occurred in 1943-44.

An alarming increase in anthrax was recognized in the wool industry. Greater use of radium dial painting resulted in warnings from the Public Health Service on special hazards involved. In the electrical industry, those workers who operate high vacuum electronic tubes at high voltages are exposed to dangerous concentrations of X-rays; protection by sheet steel or lead is necessary.

**New Developments:** A recent study of the mica industry in North Carolina revealed that dust concentrations were excessive. Examinations of 1,121 men showed tuberculosis incidence was much greater among those with mining and mineral grinding experience.

This study and one made of persons exposed to wood dust (see *Industrial Medicine*, Aug., 1943) indicate that lung diseases may be caused by other substances besides free silica and asbestos. Although no cure for silicosis has yet been found, breathing of metallic aluminum dust seems to be effective in preventing its development. This preventive method is now used on a small scale in some industries.

Poisonous chemicals include chlorinated naphthalenes and diphenyls (halowax) which may cause disease and death. Manufacturers of these

products have recently agreed to label all containers filled with these chemicals.

**Legislation:** During 1943 seven states enacted laws on occupational diseases. Among these, Oregon and Michigan extended their laws which aim for complete coverage. Nebraska extended its coverage to include all industries.

Virginia in 1944 provided for a detailed schedule of occupational diseases—the twenty-eighth state to have such laws for protection of workers. New Jersey added silicosis and asbestosis to its list of compensable diseases. Kentucky changed its law to recognize asbestosis and silicosis in all industries. New York and Louisiana increased the benefits allowed for disabled workers.

**Postwar Outlook:** Industrial health experts recognize that reconversion will bring changes in operations, new processes and handling of new materials—all of which mean additional potential health hazards. In postwar years there will be a greater need for men and women trained in industrial hygiene.

By the end of 1944 about half of the funds used by state industrial hygiene agencies were federal grants-in-aid. Many of the state personnel were loaned from the Public Health Service only for the duration of the war. Such an industrial state as Ohio, for example, had only one doctor and one industrial hygiene engineer. Expansion of state industrial health programs is considered essential.

U. S. Public Health Service has prepared an *Outline of an Industrial Hygiene Program* (Supplement No. 171 to *Public Health Reports*) dealing with medical, engineering, safety and welfare services in industry. Much remains to be done to make such a program effective in all industries and all states. There are no thorough studies as yet of such industries as bituminous coal and certain chemical industries; very little information is available on occupational diseases in these industries.

## PUBLIC HEALTH

Examinations of young men for military service under the Selective Training and Service Act have revealed much about the nation's general health. About one-third of the men examined were rejected for physical or mental defects. Including those accepted for service, eight out of every ten draft registrants examined up to June 1, 1944, had at least one physical defect.

Facts on the health of draft registrants were brought out by Army and Navy officers and military doctors in July, 1944, in testimony before the Senate sub-committee on wartime health and education, of which Sen. Claude Pepper (D., Fla.) was chairman.

By June 1, 1944, a total of 4,217,000 young men between 18 and 37 had been classed as IV-F, rejected for military service because of "physical, mental or moral reasons." Col. Leonard G. Rountree, chief of the medical division, Selective Service System, told the sub-committee the number had increased during 1943 at a net rate of more than 100,000 a month. Yet there had been a drastic lowering of standards for acceptance since the earlier war period. It is estimated that at least 40% of the 22,000,000 men of military age are unfit for general military duty.

Of the 4,200,000 in IV-F, some 700,000 had remedial defects, it was estimated. The Army has accepted as many such cases as facilities permit, so that many men originally rejected have thus been made available and fit for service. Removable defects have included hernia, uncomplicated venereal disease, and dental defects.

Nearly a third (31%) of the women volunteering for the Women's Army Corps have been rejected for lack of physical fitness. This figure covers women from 20 to 50 years old.

Men and women in the armed forces have had the benefit of new medical knowledge developed since World War I. Penicillin, sulfa drugs, blood plasma and other discoveries have greatly reduced the death rates from wounds and disease. In World War II the disease death rate has been the lowest ever recorded by the U. S. Army and only one-twentieth as high as in World War I, Major General Norman T. Kirk reported at the military surgeons' conference in November, 1944. Army records show that of the wounded who reach hospitals, 97% survive.

**Lack of Medical Care:** At the national conference on problems of medical care, Washington, D. C., December 8-9, 1944, leading physicians recognized that, next to world peace, the greatest problem facing the American people in the immediate future is how to organize a more equitable distribution of medical care. Prof. Ernst P. Boas of the College of Physicians and Surgeons, Columbia University, cited a recent survey of public opinion carried out by the University of Denver and the Physicians' Committee on Research.

Over half (55%) of the persons questioned in this survey said they would rather pay doctor insurance in advance than pay the doctor what he charges for each service. One-third said they had put off going to see

a doctor because of the cost involved, and one-quarter had borrowed money to pay doctor or hospital bills.

Hospitals in the United States are not distributed according to population or in accordance with medical needs, reports at the national conference showed. Prof. Henry B. Richardson of Cornell University Medical College and chairman of the Physicians' Committee on Research, pointed out there are twice as many hospital beds per unit of population in predominantly urban areas as there are in rural areas. But the chief barrier to the use of hospital beds is that patients cannot afford to pay for them.

**Mortality of Mothers and Children:** Maternal and infant mortality could be greatly reduced with adequate medical care. Dr. Martha M. Eliot, associate chief of U. S. Children's Bureau, told the Senate sub-committee, July, 1944, that "Nothing short of a large scale nation-wide effort supported by adequate federal and state funds will make it possible to assure proper care to all mothers in childbirth, to all newborn infants and to pre-school children, to children during the school years and throughout adolescence. We have the knowledge and skills to do the job."

Maternal mortality has been reduced from the disgraceful figure of 59.3 per 10,000 live births in 1934 to 25.9 per 10,000 in 1942. But this rate can be lowered still more, for even in 1942 more than 7,000 mothers died in childbirth. Mortality rate for Negro mothers is still two and one-half times that for white mothers and the rate of decrease in deaths is much less. "Even in 1942, 50% of maternal deaths might have been prevented," Dr. Eliot showed, "if complete and proper care had been given throughout pregnancy and at delivery." To meet the need for hospital facilities in 45 states where it is not now met would require about 50,000 new maternity beds.

Infant mortality at 39.0 per 1,000 live births (in the first nine months of 1944) is still much too high. It can be reduced at least 25% and possibly as much as 50%, the Children's Bureau believes. In all but one state mortality rates for Negro babies are higher than for white.

**Wartime Shortages:** With 50,000 physicians in the armed services before the end of 1944, the need for more adequate medical care became acute in some industrial centers. A typical war industry area, Pascagoula, Mississippi, was investigated by the Senate sub-committee in December, 1943.

Formerly a fishing community with a population of only 3,500, Pas-

cagoula during World War II had a large shipyard and a population of about 40,000. Health conditions were reported as shocking. While the county maintained one hospital, it did not have even one resident physician. Representatives from the shipyard who visited workers absent from work found them ill at home and unable to obtain a physician's services.

In Mississippi as a whole, state health officers reported there were three times as many cases of tuberculosis among Negroes as among white persons. Yet only 10% of the 400 beds for tuberculosis care in the whole state were available to Negro patients.

**Programs Outlined:** Dr. Thomas Parran, surgeon general of the U. S. Public Health Service, January 30, 1945, submitted to Congress postwar health plans calling for construction of 2,400 well-equipped health centers, "tied into a system of rural, district and base hospitals."

While such provision in itself alone would not enable the population to get adequate medical care, it would be an important part of a postwar program to meet national health needs. Construction of new hospitals on such a scale, by employing large numbers of building trades workers, would contribute toward full employment in the nation while at the same time supplying greatly needed medical facilities.

Recognizing the need for a national, unified system for medical care and health insurance, the American Public Health Association at its annual meeting in October, 1944, adopted a program which embodied the basic principles of the Wagner-Murray-Dingell bill (see below). It called for a national plan to be adequately and securely financed on a nationwide basis through social insurance supplemented by general taxation, or by general taxation alone. (See *American Journal of Public Health*, Dec., 1944.)

The Health Program Conference, including leading physicians and the national research directors of AFL and CIO, in November, 1944, issued a report on *Principles of a Nation-Wide Health Program*. While differing in some respects from proposals in the Wagner-Murray-Dingell bill, this report outlined more definitely certain points of administration which were somewhat vague in the bill.

This conference plan proposed a decentralized administration on a state and local level but under federal standards. Employers, employees and self-employed persons would be required by law to contribute to the health insurance system in proportion to earning capacity. Low-income families would be provided for by supplementary taxation.

Since the average American family already spends 3% of its income on doctor and hospital bills, the report pointed out, this plan would call for little new outlay of money. It would merely regularize existing payment.

## SOCIAL SECURITY DEVELOPMENTS

Broadening of the social insurance program was urged by representatives of the Social Security Board and of the Roosevelt administration during 1943 and 1944. These recommendations were embodied in the Wagner-Murray-Dingell bill, introduced in June, 1943. Calling for amendments to the Social Security Act and for a unified national social insurance system, this measure has the support of all organized labor and progressive groups.

More than 16,000,000 persons, or nearly a third of the entire employed population, the U. S. Census (1940) showed, were in work nearly or wholly unprotected by any form of social insurance. They included farm workers, domestic workers in private homes, employees of religious, charitable and other non-profit organizations, and self-employed persons, among them farm owners and operators. In addition, some 5,000,000 employees of federal, state and local governments were without provision for unemployment insurance, and many of these were not covered under a retirement system, the Social Security Board pointed out in its *Ninth Annual Report*, 1944.

**Old Age and Survivors Insurance:** Under the present Social Security Act as amended in 1939, the payroll tax was scheduled to rise January 1, 1943, but the increase has been postponed. As Arthur J. Altmeyer, chairman of the Social Security Board, has pointed out, all actuaries are agreed that the long-run average cost of the present old-age and survivors insurance benefits will be at least 4% of taxable payrolls. But at the end of 1944 reactionary congressmen led by Sen. Arthur H. Vandenberg (R., Mich.) again succeeded in freezing the tax at 1% each on employers and employees. The National Association of Manufacturers later claimed credit for the "freeze."

If the tax were increased to 4% it would yield the U. S. Treasury additional revenues estimated at about \$1.5 billion in 1945. It would thus benefit not only the nation as a whole but also the 44,700,000 workers and their families now covered by the federal old-age pension system. Without such an increase, the stability of the fund cannot be assured.

Up to the end of 1944 no step had yet been taken to safeguard for men and women in the armed services their eligibility rights to old-age pensions and survivors insurance under the Social Security Act. For railroad workers these rights are guaranteed under the Railroad Retirement Act. They would be safeguarded for all workers under the Wagner-Murray-Dingell bill (see below).

But under the present Social Security Act, a person who serves in the armed forces for an extended period of time may lose the insurance rights he built up as a civilian.

Because agricultural labor, domestic workers and other groups are still excluded, the federal old-age and survivors insurance program applies to a little less than three-fourths of the total amount of wages and salaries received in the United States in a year. Even when account is taken of separate public provisions for employees of federal, state and local governments and for railroad workers, about one-seventh of the total wages and salaries still carry no old-age retirement protection.

At the end of 1943 monthly benefits were in force for one or more individuals in 561,000 different families. There were in all 885,400 beneficiaries, of whom 250,700 were children.

Monthly benefits per family averaged \$28.70 in December, 1943. For a retired man and wife benefits averaged \$37.20; for retired men alone, \$23.60; for retired women only \$19 (because of lower wages during working years). For aged widows, monthly benefits averaged \$20.20; for a surviving parent, \$13.20; for a widow with one child, \$34.30. (*Social Security Bulletin*, Oct., 1944.)

**Unemployment Insurance:** Workers with wage credits under state unemployment compensation laws increased from 34.6 million in 1940 to 44.8 million in 1943. High employment levels in wartime, however, reduced the number of unemployment compensation beneficiaries from 3,200,000 in 1941-42 to 1,200,000 in 1942-43. About 530,000 unemployed workers collected unemployment benefits sometime during 1944. Unemployment benefits averaged \$13.84 a week for total unemployment in 1943 and \$15.87 in the second quarter of 1944.

Arguing for a national unemployment insurance system instead of the present separate state systems, Chairman Altmeyer of the Social Security Board has repeatedly pointed out that unemployment in general is beyond the control of any one employer or of any one state. In many states the benefit provisions are inadequate.

In 26 states, workers cannot get more than \$15 or \$16 a week. Two

states pay for no more than 14 weeks. Maximum benefits are \$22 in one state, \$20 in 10 and \$18 in 14 states for maximum periods varying from 16 to 23 weeks.

Minimum benefits range from 50¢ a week in Missouri to \$10 in California, New York and Oregon. In 19 state laws the minimum is \$5 a week.

**Public Assistance:** Persons receiving assistance under state plans approved by the Social Security Board numbered approximately 2,385,600 in August, 1944. Of these, 2,075,000 were receiving old-age assistance; 253,600 families had aid for dependent children; and about 57,000 blind persons received aid.

Average monthly payments in August, 1944, were \$27.88 for old-age assistance; \$43.33 per family for aid to dependent children; and \$29.01 per recipient of aid to the blind.

For old-age assistance average monthly payments ranged from \$11.03 in Georgia to \$47.23 in California. This wide range in averages for the various states reflects differences in the funds available for assistance and in methods of determining the recipient's needs.

In 1943, approximately half of total expenditures for old-age assistance, 39% of aid to dependent children, and 33% of aid to the blind represented federal funds.

**Proposed Changes:** A program for improvement and extension of social security was put forward by the Social Security Board in 1944. Changes proposed in the federal act and in state laws would mean that all forms of social insurance were joined in a single, unified system to cover all wage-earners and self-employed.

Main points of this program include the following: Jobless insurance should be made applicable to all workers (except the self-employed) in every state. Maximum benefits should be brought up to at least \$25 a week. Benefits should be paid for at least 26 weeks. Restrictive provisions requiring proof of qualification for benefits and similar penal sections should be eliminated.

Congress should take steps to extend social insurance coverage to agricultural workers, domestic workers, government employees, workers in non-profit organizations and self-employed persons. Old-age and survivors benefits should be made more liberal. Provision should be made for permanent and temporary disability. Insurance against the costs of medical and hospital care should be included in the unified social insurance system.

**Wagner-Murray-Dingell Bill:** This measure was introduced in the 78th Congress, June 3, 1943, by Senators Robert F. Wagner (D., N. Y.), James E. Murray (D., Mont.), and Rep. John D. Dingell (D., Mich.). It would establish a comprehensive and unified social insurance system covering practically the entire working population of the country. It would increase present old-age and survivors insurance benefits and introduce new benefits. It would also establish a unified public assistance program. Its major provisions, which are supported by the CIO and other organizations, are summarized as follows:

1. A new federal system of health and disability insurance would provide medical care and hospitalization benefits, and cash benefits for permanent and temporary disability. Every currently insured individual, his dependent wife and children would be entitled to physicians' services, hospital care and other medical services. He would have free choice of selection from among physicians listed by Surgeon General of U. S. Public Health Service, any legally qualified physician being entitled to listing. Medical service would be rendered without charge to the worker at time of illness. Doctors would be paid for their services from the social insurance fund.

Hospitalization benefit would be from \$3 to \$6 a day for 30 days; from \$1.50 to \$4 for days in excess of 30. Hospital care would be limited to 30 days a year unless funds are adequate for a maximum of 90 days. It would not be available for mental or nervous patients or for tuberculosis. Possibility of dental or nursing benefits are to be studied by Surgeon General and Social Security Board.

Physicians would be paid either on a fee basis, a per capita basis, a salary basis, or a combination of all three, as doctors in each locality choose. A national advisory medical and hospital council would advise the Surgeon General on all matters of health insurance.

For permanently disabled persons, cash disability benefits would be provided, similar in amount to the retirement benefits. Temporarily disabled persons if unable to work and currently insured would be eligible for temporary disability benefits similar in amount to unemployment benefits for a maximum of 26 weeks in a year.

Persons who received at least minimum stated wages in covered employment within year preceding disability are eligible for permanent disability benefits. Persons who if unemployed would qualify for unemployment benefits are eligible for temporary disability benefits for a maximum of 26 weeks in a year.

2. Federalization and extension of unemployment insurance to replace existing state systems. Coverage would be extended to include some 3,000,000 agricultural workers, about 2,000,000 domestic workers in private homes,

1,000,000 employees of non-profit organizations and some 3,500,000 employees of small firms employing one or more.

Waiting period would be one week within the benefit year (longer in case of a "voluntary quit" and in certain other circumstances). Benefit would be 50% of weekly wage up to \$12, plus 25% of anything above \$12 but not less than \$5 nor more than \$17; one-half of basic rate would be added for each dependent; total to be not more than 80% of weekly wage or \$30 (whichever is less). On weekly wage of \$30, basic weekly benefit would be \$10.50; worker with non-working wife and one child would receive \$21. Duration of benefits would be 26 weeks (increased to 52 if funds are found to be adequate). Partial unemployment benefits would be provided for a person earning less than his weekly benefit amount plus \$3.

3. Social security protection would be provided for persons in military service, including coverage for old-age, survivors, disability, medical and hospitalization benefits. Persons in military service would be counted as receiving wages at same rate as before induction, or their highest monthly pay in military service plus \$60 a month as subsistence. Funds for this coverage would be paid by federal treasury. Persons in the armed forces would thus build up their rights to old-age and survivors insurance while in military service and would not lose insured status gained as civilians. When they returned to civilian life they would be protected in case of sickness and they and their families would also be entitled to all needed medical care.

4. Benefits under old-age and survivors insurance would be extended to groups now excluded, agricultural workers, domestic workers, employees of non-profit organizations and self-employed. Social Security Board would be authorized to enter into agreements with states or local governments for coverage of public employees not covered under their own systems.

Maximum benefits would be increased from \$85 to \$120 monthly, or 80% of average monthly wage, whichever is less; minimum benefits increased from \$10 to \$20 a month. Formula for calculating benefits would be changed by substituting 20% for 10% of the excess over \$50 of average monthly wage, up to \$250. Thus a worker who would receive \$30.25 a month under the present law would receive \$38.50 under the new bill.

Retirement age for women, whether claiming as wage earners in their own right or as wives or widows, is reduced from 65 (in present law) to 60.

5. Maternity benefit of the same amount as the sickness or unemployment benefits would be provided for 12 weeks, six weeks before and six weeks after confinement. Working women who were currently insured would be eligible.

6. A new unified public assistance program would provide for grants-in-aid from federal funds to states having approved systems for aid to needy individuals. Administration of relief would still be left to states but federal government would pay from 50% to 75% of total expenditure.

7. A national system of public employment offices would be established.

8. To finance the new system, employers would pay a 6% payroll tax and employees a 6% wage tax. Of the wage earner's tax, 1½% would go for medical and hospital insurance. Self-employed would pay 7% of the market value of their services and would be eligible for old-age, survivor, permanent disability, medical and hospitalization benefits, but not for unemployment, temporary disability or maternity benefits. A government contribution is authorized.

**Opposition to Health Insurance:** During 1944, the American Medical Association, patent medicine firms, and a group calling itself the National Physicians' Committee for the Extension of Medical Service (closely related to the AMA) flooded the country with pamphlets, leaflets and press releases attacking the Wagner-Murray-Dingell bill. This propaganda claimed that the bill would "abolish private medical practice" and lead to "centralized control of the professions and industry."

These charges against health insurance have been repeatedly answered by the Physicians Forum for the study of medical care, Physicians Committee on Research, Inc., and by other leading physicians who recognize the necessity for such insurance to meet the medical needs of millions in this country. Contrary to the AMA's charges, these progressive physicians point out that the Wagner-Murray-Dingell bill permits doctors to choose whether they wish to take part in the federal program. Patients would be free to select from among physicians listed.

**People Favor Federal Health Plan:** More than two out of three persons in the United States describe the extension of the Social Security Act to provide for medical and hospital insurance as "a good idea." A survey by the authoritative National Opinion Research Center of the University of Denver in 1944 found that 68% of the people favored such health insurance.

In answer to the question, "if this meant that 2½% of people's pay checks would be taken out instead of the present 1%, would you think this a good idea or a bad idea?", 58% said it would be a good idea.

## VETERANS RIGHTS AND BENEFITS

The Servicemen's Readjustment Act of 1944, popularly called the "G. I. Bill of Rights" (Public Law No. 346, 78th Congress), became law June 22, 1944. Its principal purposes are to provide World War II veterans with: readjustment allowances during unemployment; edu-

tional aid; and a guaranty of loans for purchase or building of homes, farms and business property, stock and machinery. Other provisions are intended to clarify already existing laws affecting veterans and insure efficient methods of demobilization with protection of veterans' rights.

To be eligible for special benefits provided, the veteran must have had at least 90 days' service, unless discharged sooner for disability incurred in service in line of duty.

**Unemployment Allowances:** Title V of the act provides for weekly benefits of \$20 a week for unemployed veterans. There is no provision for dependents. These "readjustment allowances," as they are called, are payable for a period of time related to the veteran's length of military service, up to a 52-week maximum.

Unemployment period must be within two years after discharge from active military service or termination of the war. Veteran is not eligible if already receiving education or training allowance. He or she must be either wholly unemployed, or partially employed with wages less than \$3 a week; must register and report to public employment office; be able to work and available for suitable work. If he is ill or disabled, however, he will not be ineligible through failure to meet these conditions.

He is disqualified if he quits his job "without good cause"; is suspended or discharged for "misconduct"; fails to apply for or accept suitable work offered; fails to attend an available free training course; or participates in a strike or labor dispute causing a work stoppage.

If the veteran is receiving unemployment or disability compensation other than the pension, compensation or retired pay issued by the Veterans Administration, the amount of his unemployment or readjustment allowance will be correspondingly reduced. A self-employed veteran is eligible for readjustment allowance if his net earnings for the previous month are less than \$100. He must comply with the other conditions for eligibility. No readjustment allowance may be paid for any week beginning more than five years after the end of the war.

The Veterans Administration charged with administration of readjustment allowances has arranged to have state unemployment insurance agencies administer this phase of the law. An unemployed veteran presents his discharge certificate to the state agency and applies for the allowance on forms in control of the state. Regional offices of the Veterans Administration are supposed to act promptly in paying allowances to those eligible.

**Educational Allowances:** Every World War II veteran with at least 90 days' service (or service-connected disability) is entitled to one year's education, refresher or retraining course in any school he chooses, in any subject for which he is fitted. To get education or training allowance beyond one year, if he was over 25 when inducted, a veteran must show that his education was "delayed, interrupted, or interfered with" by the war. If under 25 years at the time of induction or enlistment, he may get up to four years' education in any school he chooses, but the period of time will depend on length of his military service.

The government will pay all tuition and other fees, cost of books, supplies, equipment, laboratory and other necessary expenses not to exceed a maximum of \$500 a school year. The veteran is also entitled to a subsistence allowance of \$50 a month, or \$75 a month if he has dependents. The government deducts from the allowance any compensation received by the veteran as an apprentice or in other training-on-the-job work.

**Loan Guaranties:** The "G.I. Bill of Rights" does not provide for the granting of loans by the Veterans Administration. It does, however, authorize the Administrator of Veterans Affairs to guarantee up to \$2,000 on a loan which the veteran obtains from any individual, bank, loaning agency or corporation. The first year's interest on the part up to \$2,000 is to be paid by the government.

Loans must be for purchase, construction or repair of homes, farms, business property or equipment. Interest rate must not exceed 4%. The veteran must pay all the interest (except the part to be paid for the first year by the government), and the whole amount of principal must be paid off in 20 years. If he is unable to keep up the payments, the property may be foreclosed. The loan must be shown to be a "practical" risk; if for a farm, the veteran must be proved reasonably certain of success in farming.

**Other Provisions:** The readjustment act established a Veterans' Placement Service Board to determine policies of the veterans' employment service under the U. S. Employment Service.

To insure expansion of the hospitalization program to meet new needs, the act specifies that adequate hospital facilities shall be available to veterans suffering from non-service disabilities or diseases. This is in addition to hospitalization already provided for those needing treatment for disabilities or disease incurred in service. For construction of additional facilities, the law authorizes an appropriation of \$500,000,000.

Veterans Administration has recommended provision for 16,000 additional hospital beds in 20 states.

**Pension Laws:** In addition to the "G.I. Bill of rights," a law was passed in 1944 to liberalize veterans' pensions. World War II veterans thus became entitled to nonservice-connected disability pensions. For permanent and total disabilities which they got after they were discharged from the services, they are entitled to monthly pensions.

Pension rates for these nonservice-connected disabilities were increased from \$40 to \$50 a month. After ten years' continuous payment or after the veteran is 65 years old, the pension is increased to \$60 a month.

For service-connected disability, the pension rates for veterans and their widows and children were also increased. Death gratuity payments were also extended to families of servicemen and women of the Navy and Marine Corps. This is a lump sum payment from the government, equal to six months' pay of the serviceman.

A totally disabled veteran gets \$115 a month. If he is so disabled as to require an attendant, he receives \$156. The widow of a serviceman, who was killed in action or died from service-connected injury or illness, gets \$50 a month, plus \$15 for each dependent child. A dependent mother who loses her son receives \$45 a month.

**Seniority and Job Rights:** By amendment of the Selective Training & Service Act in December, 1944, re-employment rights of veterans to their old jobs were extended from 40 to 90 days. A veteran thus has 90 days from the time of his discharge in which to readjust to civilian life and request the return of his old job.

Reinstatement rights apply to veterans who held permanent jobs before induction. Those who left temporary jobs do not get this protection. The original Selective Service Act guarantees re-instatement of honorably discharged veterans into their former jobs if the former employer is still in business, if the job still exists, and if the veteran is able to perform the work.

The National War Labor Board ruled November 15, 1944, that under its interpretation of the law, veterans shall return to a position of like seniority, status and pay, as if there had been no break in employment. A veteran's seniority rights accumulate as if he had remained continually on his job.

## HOUSING PROGRAMS

There were approximately 37,000,000 dwelling units in the United States in 1940, the housing census showed. Of these nearly 7,000,000 (19%) needed major repairs. About 17,000,000 (46%) had no private baths.

Some 8,000,000 (22%) had no gas or electricity. About 11,000,000 (30%) lacked refrigeration equipment; nearly 4,500,000 (12%) had no furnace.

In urban areas, almost 30% of the families were living in housing so substandard as to be a threat to their health and welfare. This was pointed out (on the basis of census data) at the National Public Housing Conference at St. Louis, March 24, 1944. In general, however, the 1940 census showed that houses in rural areas were in worse condition than those in cities.

During the war years little could be done to improve the nation's housing. New houses were built only to meet war workers' emergency needs. War conditions caused acute housing shortages in many vital industrial centers. Thousands engaged in war production lived in trailers, tourist camps, hurriedly built dormitories or shacks.

The National Housing Agency, established in 1942 to co-ordinate the housing effort of the federal government, has planned mainly for temporary construction for emergency use and has financed such plans itself. When the development seemed likely to pay its way after the war, the NHA encouraged private financing.

By the end of September, 1944, a total of 1,708,238 new units had been completed as part of the war housing program. Of these, 929,713 were privately financed; 778,525 were publicly financed. All of the privately financed housing was of permanent construction while much of the publicly financed housing has been of temporary construction.

All war housing by the end of 1944 represented an investment of about \$6 billion in permanent, converted and temporary dwellings, demountable structures, dormitories and trailers. The government financed one-third of the total cost.

Under the Lanham Act, as amended, the administrator of the National Housing Agency is authorized to remove all temporary war public housing within two years after the war emergency is over. Some 60,000 permanent publicly financed units will revert to the low-rent public housing program.

**Appropriations for War Housing:** The Federal Public Housing Authority, formerly the United States Housing Authority, had about \$1,997,500,000 available for all war housing up to the middle of 1944.

This total included funds appropriated by Congress under the amended Lanham Act; amounts available for war housing from the President's Emergency Fund for Temporary Shelter; \$100,000,000 appropriated for Army and Navy housing; about \$55,000,000 from the Defense Homes Corp.; and funds authorized under the United States Housing Act of 1937.

**Housing for Negroes:** Since few Negroes were employed in war industries during the earlier war years, little housing was planned for these war workers. When larger numbers of Negroes were given jobs in war plants the National Housing Agency programmed additional housing to meet this need.

By September 30, 1944, of some total 713,000 public war housing units assigned to the Federal Public Housing Authority for development, over 79,000, or 11%, had been programmed by the NHA or made available by the FPHA, one of its constituent units, to accommodate Negro war workers. About 675,000 units, or 95% of the total public war housing units programmed, and about 65,000 units, or 82% of such units accommodating Negro war workers, had been completed by this date. Approximately 83%, or over 65,000 of the public war housing units accommodating Negroes, were family dwellings, while a little over 72%, or about 514,000 of the total public war housing units programmed, were family units.

Comparatively few privately financed new war housing accommodations have been made available to Negro war workers. The best information available on September 30, 1944, indicates that a private quota of about 19,000 units has been either specifically programmed by the NHA or allocated by the FHA and private developers to accommodate Negro war workers. This quota of 19,000 units is less than 4% of the total private priority quota of over 532,000 new war housing units specifically programmed and assigned to the Federal Housing Administration, another constituent unit of the NHA, for processing applications for private quotas and facilitating these privately financed developments. By September 30, 1944, of the 19,000 units to accommodate Negro war workers, a little over 5,000 had been completed and another 6,000 were under construction, making a total of some 11,000 units started.

**Postwar Needs:** Estimates on the number of new dwelling units that will be needed and can be built in the postwar period range from 600,000 up to 1,900,000 a year.

At least 1,260,000 new housing units will be needed each year for ten years after the war, John B. Blandford, Jr., administrator of the National Housing Agency, has estimated. A large-scale slum clearance program could easily raise the total to be built to the higher estimate. Construction of 12,600,000 non-farm houses and apartment units will be required in the first postwar decade to meet the needs of American families and to make substantial progress in replacing substandard structures with good homes, the NHA estimated in October, 1944, in its report, *Housing Needs*.

The NHA report pointed out that approximately 7,000,000 homes were substandard in 1940 and it is expected that 2,600,000 more will have become substandard between 1940 and 1955.

These housing projects are considered an indispensable part of a national full-employment program after the war. The number of workers employed in construction would rise from approximately 600,000 in the autumn of 1944 to an estimated total of 3,000,000, including those engaged on public works, in postwar years. The housing program would provide employment not merely for construction directly; it would greatly stimulate other industries producing capital goods and consumer goods.

**Public Housing Necessary:** At the National Public Housing Conference in March, 1944, Herbert Emmerich, formerly commissioner of the Federal Public Housing Authority, declared that private enterprise could not build decent accommodations to rent for less than \$35 to \$40 a month in larger communities, or less than \$25 to \$30 in smaller places.

While private interests have provided almost no housing for the lowest-income third of the population, dwellings constructed under the U. S. Housing Act have been exclusively for the lowest third. In 1940, none of the low-rent homes housed any family receiving more than \$1,600 a year. About 60% of the families in public housing had come from previous dwellings which were a menace to health and safety. (See *Public Housing*, May, 1944.)

Housing experts thus recognize a natural division of the field between private-enterprise building for the upper third and for some of the middle-income groups, and public-housing building for the lower-income

third. But the National Association of Real Estate Boards, representing private interests, in 1944 attacked all public low-rent housing programs. This real estate lobby proposed instead that private interests should be given exemption from income taxes on current income used for low-rent housing construction. Such a measure would increase the profits of private building concerns but would not provide dwellings at rates which the present occupants of slum areas could afford to pay. Even with the assistance available under the "G.I. Bill of Rights," it would not provide the possibility for home ownership which should be open to all returning war veterans.

**Union Programs:** "The right of every family to a decent home" was recognized in President Roosevelt's economic bill of rights, January, 1944, when he outlined a new basis of security and prosperity for all. If every family in the United States is to have a decent home, progressive and labor organizations point out, the program requires the largest possible private construction supplemented by low-rent public housing.

The United Automobile Workers (CIO) at its annual convention in September, 1944, adopted a program calling for 1,500,000 to 1,800,000 units of housing a year during the first ten years after the war. Estimating that an investment of at least \$20 billion a year in construction through private and public channels would be necessary, it urged the immediate resumption of the slum clearance program with adequate appropriations for necessary loans and subsidies.

At its 1944 convention, the AFL went on record in favor of a federal low-rent housing and slum clearance program. The plans interrupted by the war should be resumed and expanded, it urged, and a comprehensive program for rural housing should be developed.

In a resolution on housing at its 1944 convention, the CIO called for the elimination of slums and the provision of large-scale, low-cost housing through both private and public programs, to "advance the standard of living for workers through the provision of good homes and full employment."

## WHITE COLLAR WORKERS

Clerical and professional employees, often called "white collar workers," numbered 10,863,000 in April, 1940, the Census showed. They represented about 24% of the 45,000,000 employed persons in the United States at that time.

Professional and semi-professional workers totaled 3,345,000 and clerical, sales and kindred workers 7,518,000 in 1940. This grouping does not include executive and managerial groups, the service trades, the self-employed, nor other non-manufacturing employees whose work is not of a clerical or professional nature. On a broader definition of white collar workers, including these and other groups, the number is estimated as from 15,000,000 to 20,000,000.

**Low Average Salaries:** Reporting that the great majority of clerical and professional workers "have always received modest incomes, and during the past few years they have felt the increased cost of living more keenly than the other major divisions of the labor force," the U. S. Bureau of Labor Statistics finds three main reasons for their less favorable position. (*Monthly Labor Review*, May, 1944.) The demand for their services has not expanded proportionately with that for factory workers, their salaries have remained traditionally rigid and there has been a relative lack of union organization in this field.

For about 900,000 school teachers, the average salary in the school year 1942-43 was only \$1,550, the National Education Association reported. This was an increase of 8% over the \$1,441 paid in 1939-40 and 10% over the average salary for the last prewar year, 1938-39. Three-quarters of the teachers (over 75%) earned less than \$2,000 in 1942-43; about a third earned less than \$1,000.

For 2,936,000 employees in wholesale and retail trade, weekly earnings ranged from \$21.26 up to \$41.20 in January, 1944. For a full year's work, these wage-earners in trade thus earned only from about \$1,106 up to \$2,142. How far these amounts fall below the so-called American standard of living may be seen by comparing the annual earnings with the Heller Committee's family budget which called for at least \$2,800 in 1944.

**Recommendations on Low-Income Groups:** The sub-committee on wartime health and education of the Senate Committee on Education and Labor conducted hearings early in 1944 on the economic situation of white collar and other fixed-income groups in the United States. Sen. Claude Pepper (D., Fla.) was chairman of this sub-committee.

Reporting that some 20,000,000 citizens had not received income increases commensurate with the most conservative estimate of the cost-of-living increase, the Pepper committee pointed out that a large proportion already had substandard or below-subsistence-level incomes before the war. In addition to the 20,000,000, the report said, there were

at the end of 1943 about 3,500,000 servicemen's families which were wholly or partially dependent on fixed military allowances.

Inequality of sacrifice required of these low-income groups, as compared with the higher income groups, the committee said, was "unjust, unnecessary, and detrimental to the health, morale, and efficiency of a nation at war." To correct such inequities, the committee recommended among other things:

1. Strict enforcement of price control, the Office of Price Administration to be granted funds necessary for such enforcement.
2. Removal of all wage and salary control from incomes of \$200 or less per month for heads of families and \$150 or less per month for unmarried persons. Employers should be permitted to raise salaries or wages to these levels without application to National War Labor Board.
3. State, county and municipal governments to increase salaries of their low-paid workers, especially teachers. If such adjustments are not effected, federal government should provide relief for such workers through higher income-tax exemptions.
4. Increase of social security and public assistance benefits, as recommended by the Social Security Board.
5. A new cost of living index to be prepared by the U. S. Bureau of Labor Statistics, to reflect accurately changes in living standards; funds to be made available for the purpose.

**Unionization of Clerical and Professional Workers:** About 1,400,000, or one-eighth of all clerical and professional workers in the United States, were members of national labor unions in 1944, the U. S. Bureau of Labor Statistics estimated. These white collar workers constitute over 10% of the total union membership in all occupations and industries.

Of the 1,400,000 organized white collar workers, about 950,000 are employed in private industry and 450,000 are in government service. About one-half (480,000) of those in private industry are in transportation, communication and public utilities. About three-fourths of the unionized government workers are employed by the federal government, chiefly in the postal service, where practically all employees are union members.

In retail and wholesale trade about 200,000 are in unions. In finance, entertainment and miscellaneous non-manufacturing industries about 190,000 of the clerical and professional workers are organized, and in manufacturing only about 80,000.

Over 90% of the clerical and professional workers in the railroad in-

dustry and about one-third of those in the telephone and telegraph industries are union members.

United Office & Professional Workers of America (CIO) reported it had 55,000 dues-paying members in 1944. The AFL had kept its members in directly affiliated locals, but at the end of 1944 established a new organization, the Office Workers' International Union.

The UOPWA has prepared a bill, introduced in Congress by Sen. Pepper, to create a White Collar Commission. This commission as part of the National War Labor Board would, among other things, determine who are white collar workers, establish industry job classifications, assume full government authority over disputes and wage stabilization issues affecting such workers, and function in other ways to obtain salary increases for unorganized white collar and professional workers.

During 1944 a new organization, the National Council of Scientific, Professional, Art and White Collar Organizations, was formed by some 45 participating organizations. These include such groups as the American Association for the Advancement of Science, the Young Women's Christian Association and the United Office & Professional Workers. Prof. Kirtley F. Mather of Harvard was elected president of the new organization, the purpose of which is to define for government, industry, and finance the measures which would enable white collar and professional workers to overcome economic disadvantages and make a larger contribution to the war effort.

A National White Collar Conference, sponsored by the CIO, was held in Washington in January, 1945. It was attended by representatives of 66 union, educational, scientific, and other organizations.

## WOMEN IN WAR AND POSTWAR

In the third year of the war, women made up over one-third of the country's labor force. Employment of women reached its peak of 19,110,000 in July, 1944, as compared with 13 million in 1940. In November, 1944, the number totaled 18,150,000, the decline from the July peak being largely seasonal. The number in non-agricultural jobs was 16,130,000 in November, 1944, compared with 10,620,000 in November, 1940.

Before the war, women's opportunities to use new skills were small, but wartime needs for expanding the labor force opened to them many new occupations. A number of jobs, formerly filled exclusively by men, have been capably handled by women. Of 146 executives reporting to the

National Industrial Conference Board, 60% stated that women's output on jobs, formerly held by men, equaled or exceeded that of the men.

In major war manufacturing (metal, chemical and rubber industries), the number of women increased by over 460% between the prewar year, 1940, and March, 1944, the U. S. Women's Bureau reported. In the aircraft industry, where only 23,000 women were engaged in production of airframes, engines and propellers in January, 1942, nearly 500,000 were employed on such jobs by the summer of 1944. Women represented 40% of the labor force in airframe plants in August, 1944, compared with only 5% at the beginning of 1942.

By January, 1944, women represented 10% of all wage-earners in shipyards which had employed almost no women in the years before Pearl Harbor. By October, 1944, women workers in shipyards numbered 168,700, or nearly 15% of total employment.

Efforts to attain equal status for women in industry are directed mainly toward obtaining equal pay for equal work, equal opportunity for upgrading and equal seniority rights. In addition to these aims the AFL and CIO, in co-operation with the U. S. Women's Bureau, endorse regular rest and lunch periods and maternity leave with three and one-half months' accumulating seniority.

**Equal Pay Laws:** Legislation to secure equal pay for women has gone into effect recently in two large industrial states, Illinois and New York. New York's law, effective July 1, 1944, provides that where women replace men in a specific job, the same pay rates shall be applicable regardless of sex, if the job content and conditions remain unchanged.

This measure prohibits the setting up of two job classifications for the same job, where the only difference is that one is performed by men and the other by women. The N. Y. Department of Labor states that this law supersedes any previous employment agreements that provide for differentials in pay according to sex. Domestic and farm workers and those in non-profit organizations are not covered.

In Illinois the law applies only to manufacturing establishments with over six employees. Michigan, Montana and Washington also have equal pay laws.

The National War Labor Board, in its general order No. 16, November 25, 1942, allowed employers to increase women's wages to achieve equal pay for equal work. Since then, great strides have been made in this direction. In the automobile industry, for example, women's

average hourly straight-time pay rose by 20 cents. However, many unions have failed to follow through on the Board's order.

The WLB's policy has not been consistent. Differentials in hiring rates and in base rates on incentive systems have not been eliminated. Where certain jobs are classified as women's jobs, the equal pay principle has not been applied.

**Equal Opportunities:** In many plants, women face obstacles against upgrading. A National Industrial Conference Board study of heavy metal plants employing few women before the war showed that of 130, 60% had no provisions for upgrading women beyond a certain level. Where upgrading is practiced, the U. S. Women's Bureau found that union contracts were mainly responsible. Aircraft and electrical industries were most advanced in this respect.

Seniority is one of the main problems for women workers. Although they are one-third of the labor force, they were two-thirds of industrial lay-offs during the third year of the war. Most flagrant discrimination occurs in plants that have separate seniority lists for women. Those coming recently into industry have not yet built up long seniority records. Reasonable seniority provisions, the Women's Bureau advises, should give women with continuous service in a plant in the war period precedence over persons who never worked there.

Both AFL and CIO oppose the so-called "Equal Rights" amendment to the U. S. Constitution, as at present proposed, because it would jeopardize labor legislation for women workers. Labor is not opposed to removing the legal disabilities which in some states affect women as citizens.

**Postwar Employment:** It is generally realized that a majority of women will want to stay in industry after the war. After World War I, more women remained at work than had ever worked before. The U. S. Women's Bureau estimates that after World War II the number of women employed will remain higher than any prewar level.

In a survey of women members of the Automobile Workers (CIO) in 1944, 85% said they would continue working after the war if jobs were available.

The War Manpower Commission's women's advisory committee said recently: "Any easy assumption that a great number of women will return to their homes is to be seriously questioned. Almost 14,000,000 working women are not newcomers to the labor force."

Before the war, out of 131,000 families surveyed by the U. S. Women's

Bureau, one-fifth of the employed women were the principal wage-earners. A Social Security Board analysis of 700,000 city households found women to be principal wage-earners in one-tenth of the families. Such figures will rise after the war because of war casualties.

The Automobile Workers (CIO) at its 1944 convention adopted a resolution saying that women workers must receive fair and just treatment in seniority rights, rest periods, maternity leaves, adequate training, upgrading and by the strict enforcement of equal pay for equal work. It called upon the executive board to review all UAW contracts from the standpoint of eliminating clauses discriminating against women and adding clauses protecting women workers.

At a conference called by the U. S. Women's Bureau in December, 1944, representatives of trade unions and women's organizations approved a program for postwar readjustment of women workers. They called for measures to prevent discrimination against them in lay-offs, and to provide travel funds for those laid off to return to former homes or to areas where jobs are available.

### CHILD LABOR

About 3,000,000 boys and girls between 14 and 17 years old were at work in the United States in April, 1944, the U. S. Children's Bureau estimated. This was about 2,000,000 more than in 1940. In the summer of 1944, an estimated 5,000,000 between 14 and 17 were employed.

Of the total 3,000,000 at work in the spring of 1944, about half were working full time and the other half part time while continuing in school. Reporting that 1,000,000 fewer boys and girls were enrolled in high school in 1944 than in 1940, the bureau said: "A deficit in education and an abnormal amount of youth employment and child labor created by the war make urgent the adoption of a program to restore and improve the educational opportunities and school attendance of the Nation's young people and to reduce the amount of employment of those under 18."

Progressive organizations were working in 1944 to bring more states up to the 16-year age limit. Only 14 states in 1944 had laws setting 16 as the minimum age for work.

Many of the children carrying the double burden of school and work are only 14 and 15 years old, the National Child Labor Committee points out. Number of boys and girls of this age who work and also

attend school reached 750,000 in 1944, it was estimated. In New York State alone there were 90,000. This double burden puts a more severe strain on children of this age than a full-time job puts on the 16 and 17 year olds who have left school, the committee finds, since most state laws permit them to work at least eight hours after school.

Only ten states have laws limiting the combined hours of school and work or the number of hours children may work on a school day. These states are Alabama, California, Florida, Illinois, Louisiana, New Jersey, New York, North Carolina, Ohio and Pennsylvania. The New York State legislature passed such a measure early in 1945.

**Violation of Laws:** A high rate of violations of the Fair Labor Standards Act in relation to child labor was reported by the Children's Bureau in August, 1944. Under this Act, "oppressive child labor" is prohibited in interstate industries.

As defined in the Act, this prohibits employment of children under 16, or children under 18 in occupations found to be hazardous by the Children's Bureau. Employment of children between 14 and 16 is permitted in nonmining and nonmanufacturing industries if the bureau decides it does not interfere with their schooling, health or well-being.

The Children's Bureau administers the child labor provisions of the federal law and issues age certificates of availability to minors. State certificates are now accepted in all but two states. The law does not cover children employed in agriculture while not legally required to attend school, nor children employed as actors, nor children under 16 employed by their parents in non-manufacturing or non-mining occupations.

Recorded violations of the federal law against child labor increased almost nine-fold as a result of war conditions. From July, 1939, to July, 1940, only 308 firms were reported to be employing minors illegally. In the year ending July, 1943, the Children's Bureau found 1,722 companies were violating the law. In the second half of 1943 the number of companies found violating the law had risen to 1,314 for this six-month period.

In New York State there was an increase of 129% in violations in the year ending July, 1944, compared with the previous year.

**Decisions Affecting Child Labor:** In a decision, April 24, 1944, the U. S. Supreme Court held that newsboys are employees of the newspaper publishers and as such come under the National Labor Relations Act and are entitled to the benefits of collective bargaining. Newspaper pub-

lishers, the court found, fix the number of copies the employees must sell, their profit, working conditions and place of work.

Although in this particular case before the court the employees were full-time adult workers, the National Child Labor Committee reported that the decision "undoubtedly would have a far-reaching effect on future cases coming before state courts which involve the employment status of school-age newsboys under child labor, workmen's compensation and other statutes." (*American Child*, May, 1944.) Hitherto, publishers have called newsboys "independent contractors" and have thus evaded laws governing employment.

**Children in Agriculture:** Under wartime conditions, food becomes a major weapon and farmers faced with the problem of increased production have turned to the youth for help on the farms. City youth have been employed in agriculture in three different ways:

1. Day hauls. Children live at home, are collected at a central point and taken for a day's work. This type of employment is in demand for the harvesting processes.

2. Individual placements on farms. Children are placed on farms for periods varying from a few weeks to the entire summer. They live with the farmers.

3. Work camps. These are organized to house workers in areas where seasonal help is needed. Some are operated by the YMCA, YMHA, Boy Scouts, etc.

Of all 14 and 15 year old boys and girls who were at work in April, 1944, more than one-half were in agriculture. Of the 16 and 17 year olds, about one-fourth were on farm jobs.

**Constitutional Amendment:** During the war years there has been no progress toward passage of the Federal Child Labor Amendment which had been ratified by 28 states by the end of 1940.

## NEGROES IN INDUSTRY

When this country entered the war in 1941 Negroes were almost totally excluded from many war industries and discriminated against in others. Because employers refused to employ Negroes, they were also largely excluded from early government war training programs. Through the efforts of the FEPC, discussed below, the War Production Board, the CIO and other groups, exclusive employment practices were gradually broken down.

The great army of Negro unemployed which, including those on emergency work programs, amounted to nearly a million in 1940, was gradually put to work in industry and the armed forces. Additional hundreds of thousands of new Negro workers for industry were drawn to war production centers, largely from rural areas.

By mid-1944, nearly 120,000 Negroes were employed in the aircraft and automobile factories, 190,000 in the shipyards and about 100,000 in electrical machinery and equipment plants from which they had been totally excluded before the war. Altogether the employment of Negroes in manufacturing and processing industries increased from some 500,000 in 1940 to approximately 1,250,000 in 1944. The numbers employed in transportation and communications had nearly doubled. A much larger number were also working in federal war agencies.

Although the proportion of Negroes employed in war industries (7.5%) was still less than the proportion of Negroes in our population (9.8%), figures for the employment of non-whites for November, 1944, released by the War Manpower Commission, show a very significant change in the integration of Negroes into industry. In shipbuilding, 12.4% of the employees were non-white; in aircraft, 6.4%; small arms ammunition, 8.5%; other ammunition, 11%; tanks, 8.2%; general industrial machinery, 4.7%. In other industries, where large numbers of Negroes had always been employed, the percentage of non-whites had also gone up and stood at 24.8% in iron and steel foundry products and at 33.6% in secondary smelting and refining (nonferrous). Negroes represent about 95% of all non-white people in America.

Training, up-grading and promotion of Negroes generally lagged behind employment. The CIO led in the fight for the right of Negroes to equal opportunities on the job. Government agencies, especially the FEPC, helped the situation in many places where the CIO had no contract.

Despite the late admittance of Negroes into war industries and the initial resistance by employers (and too often, also, by some skilled white workers), the number of Negroes employed in skilled capacities in all industries had doubled between April, 1940, and April, 1944, to some 245,000. The number employed in semi-skilled occupations had also doubled. There were some 1,000,000 skilled and semi-skilled workers and about 650,000 unskilled industrial laborers. The number of Negroes—about 1,000,000—employed in domestic service remained about the same as in 1940, while the number employed in service indus-

tries and occupations (hotels, restaurants, beauty parlors, etc.) had nearly tripled, amounting to around 800,000. Altogether, there are now about 5,500,000 Negroes in the civilian labor force. (See *Monthly Labor Review*, Jan., 1945.)

The race riots foreseen as incidental to the employment or upgrading of Negroes in most instances failed to materialize. The worst incident was the riot at Mobile, Alabama, in the spring of 1943. This riot, like the Philadelphia transit strike of August, 1944, appears to have been deliberately provoked by the employers. There have been a number of short-lived wild-cat strikes against the upgrading of Negroes. These were usually settled very quickly when the union and the company cooperated and took a firm stand.

As a result of the increased employment opportunities in industry, not less than 400,000 Negroes have left the South during the war. It is estimated that 250,000 Negroes have migrated to the West Coast states. Probably an almost equal number have migrated to war industry centers of the Middle West and North East.

**Seniority Problems:** A major postwar problem facing America is to maintain and improve the industrial position won by Negroes during the war. A survey made in one New York plant showed that 90% of the Negroes engaged in production would be eliminated by a 50% general cut-back. While this plant is in an industry which excluded Negroes before the war, it is typical of many other large plants in similar industries.

The question has been raised whether the strict seniority rule in lay-offs should not be modified so that Negroes may retain their present proportion in the employed industrial labor force through the reconversion period. Many Negro and some white unionists advocate a revision of seniority rules to allow for proportional lay-offs from both races. Others, including many Negroes, believe that the majority of white workers would never accept any modification of the seniority rule. A third group advocates flexibility, believing that no one solution will fit every situation. All agree that only full postwar employment for all, regardless of race or color, can solve the problem.

## PRESIDENT'S FAIR EMPLOYMENT COMMITTEE

The Committee on Fair Employment Practice was established on July 18, 1941, to enforce Executive Order 8802 which declared it to be the policy of the United States "that there shall be no discrimination in the employment of workers in defense industries or Government because of race, creed, color, or national origin."

This committee was reorganized May 27, 1943, by Executive Order 9346. It ordered not only employers and heads of government agencies but labor unions as well "to eliminate discrimination in regard to hire, tenure, terms or conditions of employment or union membership because of race, creed, color, or national origin."

FEPC now consists of a chairman and six members, three representing management and three representing labor. It has jurisdiction over complaints against all employers having government contracts, as well as the unions involved, and against employers (and unions) in all industries essential to the war effort even though no contract with the government is involved. It also covers all complaints against federal agencies.

In the 18 months ending June, 1944, FEPC heard over 10,000 complaints, of which some 4,000 major ones were settled. Approximately 40% of these resulted in a settlement satisfactory to all parties concerned; 20% were dismissed for lack of jurisdiction or insufficient evidence; and 30% because the complainant did not have the necessary qualifications for the job; on 10% the complaints were withdrawn. During 1944 the FEPC satisfactorily closed over 35% of the 3,835 cases docketed with it in that year.

During the period between July 1, 1943, and May 31, 1944, 81% of the complaints were due to discrimination because of color, 9% involved discrimination against creed, mostly Jews. Another 5% were because of national origin involving mainly Americans of Spanish or Mexican origin. The remainder involved aliens.

Private concerns were the chief discriminators. During the last six months of 1943 almost 66% of the 1,930 complaints received were against such concerns; 30% were against government agencies. The remainder, 82 in all, were against labor unions, almost all of them AFL.

**Unions and FEPC:** The CIO gives the FEPC full support and at its 1944 convention voted for a permanent FEPC. In CIO unions there is no bar to membership of any minority group. Largest CIO union,

United Automobile Workers, has an agreement with FEPC to co-operate in effort to end Negro discrimination in the auto industry. This agreement was the first of its type between a union and this agency.

Some AFL unions follow the same nondiscriminatory policies as CIO; others, like certain railroad organizations, still weaken themselves by discriminatory practices.

**FEPC and the Railroads:** At hearings held by FEPC in September, 1943, 22 railroad companies and 14 unions were charged with discriminatory practices. Testimony revealed that ten railroads in southeastern states and the Brotherhood of Locomotive Firemen & Enginemen in February, 1941, had made an agreement to discriminate against Negro workers.

On December 18, 1944, the U. S. Supreme Court ruled that under the Railway Labor Act, Negro employees on railroads must be protected against such management-labor pacts seeking to drive them out of their jobs or deny them promotions. As their bargaining agent a union must represent all employees engaged in the work covered by the union, without discrimination because of race or nonmembership.

Out of 1,500,000 railroad workers employed in 1943, some 300,000 were Negroes, the Railroad Retirement Board reported. But of 31 national unions which exclude Negroes by provision or practice, or confine them to inferior status, 19 are in the railroad industry.

On November 30, 1943, FEPC notified 20 railroads and seven railroad unions that all discriminatory practices must cease within 30 days. It ruled that the "southeastern agreement" of February, 1941, was a violation of the President's Executive Order 9346. Up to the end of 1944, however, 16 roads and the unions involved had still refused to comply with FEPC's directive.

Chicago & Northwestern R. R. early in 1944 agreed to promote Negro car cleaners to carmen's helpers and Negro dining car waiters to dining car stewards, as a result of negotiations conducted by FEPC. Pennsylvania R. R. in April, 1944, agreed to accept applications of Negroes for jobs as dining car stewards. New York Central, Union Pacific and Virginian Ry. agreed to co-operate with FEPC to eliminate employment discrimination.

**Philadelphia Transit Strike:** FEPC early in 1944 directed the Philadelphia Transit Co. to upgrade several Negro porters and train them for jobs as bus and trolley car operators. The Transport Workers Union (CIO) won a National Labor Relations Board election in March, 1944,

to represent this company's employees—defeating a company union, the Philadelphia Transit Employees Union.

Just as the Transport Workers Union was about to sign its first contract with the company, leaders of the defeated company union called a strike, August 1, 1944, in protest against employment of eight Negroes as street car operators. Many of the 6,000 strikers did not know it was a "race-hate" strike. President Roosevelt ordered the U. S. Army to take control of the transit system and the strikers returned to work August 7. Strike leaders were subsequently indicted by a federal grand jury.

Under a contract signed August 9 between the TWU and the company, 9,300 employees gained wage increases and improved working conditions amounting to a total of \$3,000,000, a union security clause with maintenance of membership and check-off rights. All the eight Negroes were kept on as operators.

**Opposition in Congress:** FEPC has been bitterly assailed in Congress, especially by "white supremacy" advocates of the south. In 1944 the Select Committee to Investigate Executive Agencies headed by Rep. Howard W. Smith (D., Va.) served as a sounding board for reactionary opposition to the agency. Purpose of this committee was to smear FEPC and hamstring its work.

Led by Sen. Robert Russell (D., Ga.) the Southern poltaxers tried to kill or cripple the FEPC by various amendments. Despite these efforts the agency was saved and in June, 1944, \$500,000 was appropriated for its work.

**A Permanent FEPC:** As FEPC has been functioning directly under the President by executive order and not by statute, efforts are being made to establish it as a permanent institution authorized by Congress. Several bills were introduced in 1944 to this effect. At hearings on the Senate bill a spokesman of the Detroit Council on Fair Employment Practice testified that over 25 million persons in this country belong to minority groups which are subject to discrimination in employment.

Opponents of the bill included the National Association of Manufacturers, the Chamber of Commerce of the United States, a few AFL unions and various Southern members of Congress. Despite this opposition, support of the bill was so overwhelming from civic, religious, labor and other organizations that the Senate Committee on Education and Labor recommended the creation of a permanent FEPC. In the 79th Congress, the measure was reintroduced as S. 101.

Hearings were held during 1944 on a similar bill by the House Labor

Committee, and on November 28, it was reported out favorably. Several similar bills were introduced in the 79th Congress, including H. R. 481 and others.

## NEGROES IN THE ARMED FORCES

The work of Negro troops in all branches of the armed forces has been praised by the highest military officers. Secretary of War Stimson, for example, has commended Negro troops for their valor in all theaters of war. The 92nd infantry division and the 332nd fighter group of the Mediterranean coastal air force, all Negroes, won acclaim for their performance on the Italian front. And the 93rd Division was in the thick of the fight in the South Pacific under General MacArthur. Negro quartermaster contingents have been widely praised for their superb accomplishments during and following the invasion of Europe.

The Negro soldiers, as the *New York Times* (January 1, 1945) put it in summarizing a War Department report on the subject, "proportionately, won as many unit citations and individual recognition for gallantry," as the white men by whose side they have battled against the fascist forces all over the world.

**Numbers in the Service:** At the end of September, 1944, the War Department reports, there were 701,678 Negroes in the Army of whom 411,386, or nearly 60%, were serving overseas. At that time there were 49,483 in the infantry, 133,180 in the engineers, 36,302 in the coast and field artillery, 73,686 in the air corps, 867 in the cavalry and 408,160 in all other branches of the service.

The number of commissioned officers, however, was still small, numbering only 5,804 at that time. These included 101 commissioned in the dental corps, 247 nurses, 463 in the medical corps and 236 chaplains.

The total number of Negroes in the Navy as of December 1, 1944, was approximately 152,000, about 12,800 of whom were in the Seabees. In the Marine Corps there were at the same time about 15,500 Negroes.

**Segregation and Discrimination:** There has been some improvement in the treatment of Negroes in the armed forces.

In the Army officer candidate schools Negro and white men are trained together, sharing the same barracks and mess halls. Negroes are likewise being trained as technicians without segregation.

A War Department order, first issued in 1943 and reissued July 8, 1944, banned all race discrimination in Army post exchanges, recreation

centers and transportation facilities anywhere in this country. In some Army camps in the South, however, this order has not been enforced.

Negroes are now accepted in practically every branch of the Army service including pilots and bombardiers in the air corps. The National Urban League in *Opportunity* (January-March, 1945) points out that they also hold every rank up to and including Brigadier-General. The first Negro in U. S. Army history to hold this high rank is Benjamin O. Davis, Sr. His son, Col. Benjamin O. Davis, Jr., is commander of the 332nd fighter squadron of the 15th Army Air Force.

Despite these developments, one of the main complaints of the Negro recruit is that often, after undergoing training for a skilled post, he is shifted about and given the most menial tasks despite his higher qualifications. At the same time whole units of highly trained men, for example, the famous 9th and 10th Negro cavalry regiments of the Army, have been converted into "service" troops. And commanding officers have injured Negro morale by refusing to promote Negroes, according to their seniority, ahead of white officers.

The Navy as well as the Marine Corps and the Coast Guard have also opened their ranks for enlistment in all categories and as non-commissioned officers but on a segregated basis. Negro women are now admitted to the WACS, WAVES and SPARS.

Although there has been a desperate need for more nurses to care for our wounded, Negro nurses in the Army have been accepted in very small numbers and their services are still being restricted primarily to the care of Negro troops and war prisoners. In January, 1945, the Navy finally agreed to accept Negro nurses.

Negro doctors are still accepted in the Army medical corps but only in sufficient numbers to take care of Negro units. Negro doctors are used only in all-Negro Army hospitals and are not used even exclusively for wounded Negro soldiers in hospitals having patients of both races.

The Red Cross has changed its policy of not employing Negroes and before the end of 1944 there were more than 200 Negroes in its overseas personnel and many on its staff at home.

**Attacks on Negro Soldiers:** The segregated set-up in the armed forces has tended to increase rather than dispel racial prejudice, particularly in the South. This has resulted in many attacks on Negro servicemen and women both by civilian and military personnel.

At least four Negro soldiers have been killed by southern bus drivers,

two of them in 1944, and in no case have the drivers received any punishment. At least four more Negro servicemen have been killed by civilian police and county sheriffs all of whom have gone unpunished. There have also been several instances of Negro soldiers found dead, evidently lynched.

The total number of Negro soldiers who have suffered abuse and beatings at the hands of southern civilians, of course, has never been recorded. In practically no case have civilians been punished for attacks on Negro servicemen.

**Unequal Justice:** When segregated Army conditions have led to inter-racial rows which resulted in the killing of a white soldier by a Negro soldier, the latter has almost without exception received a death sentence. But when Negro soldiers have been killed by whites the death penalty has never been handed down, although in at least one instance the white killer was sentenced to ten years at hard labor.

Dubious "rape" charges have been brought against Negro soldiers both in this country and overseas, resulting in death sentences which were later commuted to life imprisonment.

Most notorious case of this type was that of Frank Fisher, Jr., and Edward R. Loury who were court-martialed in June, 1943, and sentenced to life imprisonment, later reduced to ten years, on a doubtful charge by military authorities in New Caledonia. A third man similarly charged was killed by the police while being transported from Gadsden to Birmingham, Alabama.

Because of the many unprovoked attacks on Negroes a bill was passed by the U. S. Senate, June 14, 1943, making it a federal offense to assault any member of the armed services. The House failed to pass the bill.

## POLL-TAX LAWS

Efforts to pass anti-poll-tax legislation in 1943-44 were again defeated in Congress through a coalition of southern Democratic Senators and reactionary Republicans. The Marcantonio Bill, H. R. 7, which abolishes the requirement of any voter to pay a poll tax in order to register or vote in elections for federal offices, was introduced in the House, January, 1943. It was discharged from committee on petition signed by 218 members (a majority) of the House. It was passed by the House May 25, 1943, by a vote of 265 to 110. From there it went to the Senate

where it remained in the Judiciary Committee until November 12, 1943. On that date it was voted out of committee favorably, but Sen. Joseph C. O'Mahoney (D., Wy.) immediately introduced a competing resolution calling for the repeal of the poll tax through a constitutional amendment. This resulted in further delay.

On December 21, 1943, the Judiciary Committee backed up its previous favorable report on the Marcantonio Bill with a call for its passage. The bill finally came before the Senate May 9, 1944. After a filibuster of several days a motion for cloture to end the filibuster was introduced and defeated May 15, 1944, by a vote of 44 to 36, a two-thirds vote being required to invoke the cloture.

At the end of 1944 poll-tax laws still existed in Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas and Virginia. But Georgia repealed its law in February, 1945.

The Tennessee legislature passed a poll-tax repeal law in February, 1943, but this law was declared unconstitutional by the State Supreme Court on July 3, 1943. Mississippi in February, 1944, had passed a law specifically stating that all servicemen were permitted to vote regardless of color, without payment of the poll tax. In Arkansas a constitutional amendment was passed November 7, 1944, waiving the poll tax for all servicemen in future elections.

## THE SOLDIER VOTE

Entrance of millions of U. S. citizens into the armed services raised the question whether these millions of citizens were to vote or were to be disfranchised by the diverse and complicated systems of absent balloting of the 48 states.

Thirty-three states had a limit of 30 days for the entire process of absentee voting; in Arkansas the provisions of the law allowed only ten days. In 14 states, including New York, the absentee voters had first to procure and mail in an application for a ballot before receiving a ballot. Two states had no provisions at all for absentee balloting, while in Texas the law specifically provided that no members of the Army, Navy or Marine Corps should be permitted to vote.

In September, 1942, Congress enacted Public Law 712. It provided that federal ballots should be prepared for the states, abrogated state requirements for registration and poll-tax payments and required the War and Navy Departments to distribute postal cards to members of

the armed forces with which to write state election boards for federal ballots. This law was inadequate and failed to meet the situation. Only about 28,000 members of the armed forces voted under Public Law 712 in 1942.

In 1943, a bill amending and simplifying this law was introduced in the Senate by Scott W. Lucas (D., Ill.) and Theodore F. Green (D., R. I.). It proposed a simple ballot to be prepared by the federal government with spaces for voting for federal officers. For state officers, each serviceman was to write in the names of the candidates of his choice from a list provided for him through the federal government, or if he preferred, he could vote a straight party ticket by marking an X opposite the name of that party. He could still use the state ballot if he were successful in obtaining one. The bill also covered other Americans serving away from home in connection with the war effort. A similar bill was introduced into the House by Eugene Worley (D., Texas).

On December 3, 1943, the Lucas-Green proposals were killed in the Senate by a vote of 43-37, through a coalition of poll-tax Senators from the South and reactionary Republicans who feared a large soldier vote in the 1944 Presidential elections.

In the House, John E. Rankin (D., Miss.) led the fight against the federal ballot. Eighteen Republicans and 24 Democrats were responsible for killing the bill.

Passed instead was the Eastland-McClellan-McKellar substitute "states rights" bill, which left each state free to fix its own regulations on absentee voting. This bill, which was even worse than Public Law 712, became law without the President's signature on April 1, 1944.

The law covers members of the armed forces anywhere and the Merchant Marine and other war workers, not including civil employees, outside the country.

According to this law, with its states' rights restrictions, the serviceman could vote only if three conditions all apply to his case: (1) he has not received a state ballot and has sworn an oath to that effect by October 1, 1944; (2) his state has machinery for absentee voting; (3) his state will accept his federal ballot if he does not get a state ballot or it has no absentee voting apparatus. This third condition has to be certified by the governor of the state.

By July 15, 1944, only 20 states had agreed to permit servicemen and merchant marine members to use the federal ballot. These states were: California, Connecticut, Florida, Georgia, Maine, Maryland,

Massachusetts, Michigan, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, Rhode Island, Texas, Utah, Vermont and Washington. The other 28, including New York, had not accepted the federal ballot.

Only 109,479 servicemen voted on federal ballots in the Presidential election of 1944. State election officials estimated that about 2,800,000 others voted by state absentee ballots.

In New York and some other states, members of the Merchant Marine were denied the right also of using state absentee ballots.

## VII. FARMERS AND FARM PROGRAMS

Farmers in 1944 made a new high record in total volume of output and in production per person working on the land. Compared with 1940, crop yield per acre had risen 10%; total output had risen 21%; and output per worker had risen 28%.

These results were due not only to good weather and hard work, but also to greater use of fertilizer and farm machinery. Figures released by James F. Byrnes in his January 1, 1945, report as Director of War Mobilization and Reconversion show that the use of commercial fertilizer had risen by 45% and the number of tractors on farms by 25% since 1940. And since December, 1941, mechanical corn pickers had increased by 29%, combine harvesters by 23% and milking machines by 49%.

Markets have been expanded by wartime full employment, by the vast food purchases for the armed forces and by government buying for lend-lease shipments to our Allies.

### FARM INCOME

Demand, rising even more than output, has pushed farm prices far above the levels of 1940 and preceding years. Advance has been uneven as prices of tobacco, oil-seeds, livestock and livestock products have risen more than any other groups. But the general index of prices received by farmers in 1943 and 1944 has been about 80% above the average for 1935-39.

With rising prices and increased production, farm income has more than doubled since 1940 and preceding years. Gross cash receipts from farm marketings are estimated at \$19.3 billion for 1943 and possibly \$20.2 billion for 1944. Production expenses have also increased, but farmers' net income had risen from \$4.6 billion in 1940 to roughly \$12.0 billion in 1944. Prices had risen considerably during this period. But even so, the farmers had more than twice as much realized net income in 1944 as they had had in 1940.

*Federal Reserve Bulletin* points out (December, 1944) that in 1942, the more prosperous 50% of the farmers received 82% of the net cash income and "it is unlikely that this pattern has been greatly modified."

## FARM PROPERTY

Farm real estate prices have been climbing since 1941. Behind the nationwide average increase of 40% in value per acre are concealed wide regional differences, with less than 20% increase in the northeastern states and a rise of 47% and 51% in the mountain and Pacific states respectively.

At the same time, in spite of the rise in real estate values, the long-time declining trend in total farm-mortgage debt (since the peak in 1923) has continued. Total outstanding was cut from \$6.5 billion on January 1, 1941, to \$5.6 billion on January 1, 1944. The Farm Credit Administration estimates that with the record high farm income, farmers had also more than doubled their cash assets during four years and reached, on January 1, 1944, the total of 12 billion dollars, or an average of roughly \$2,000 per farm. (Of course, this "average" represents very uneven distribution among the six million farms.)

The Farm Credit Administration has warned that farm mortgage loans—especially in periods of land boom—should be related not to the current market price of farm land but to its long-time earning power. As a check on present high prices for farm real estate they propose that farm appraisal experts licensed and supervised by the Department of Agriculture should be available for consultation by those who are buying a farm and by those who consider lending on farm mortgage. The National Farmers Union is demanding a public farm appraisal system.

## FARM AND NON-FARM AVERAGES

Even allowing for the value of food consumed on the farm which produced it, and for the government payments to farmers, which totaled yearly \$700,000,000 in 1943 and over \$800,000,000 in 1944, the sharp increase in farm income has not brought the farm population up to the income level of the non-farm population.

Each group includes within itself sharp income differences. But the averages for the farm and non-farm population reveal the differences between the two broad sections of the population. The per capita net

income (before payment of income tax) in 1943 was estimated at \$628 on farms compared with \$1,208 for those not on a farm. The 1935-39 averages had been \$241 and \$603 respectively. (*The Farm Income Situation*, July, 1944.)

## FARM WORKERS

Total numbers at work in agriculture have been declining, almost without a break, during the past ten years. Only in 1942 was this trend interrupted. Official estimates show the following yearly averages:

### WORKERS ON FARMS

	<i>Family workers</i>	<i>Hired workers</i>
1935	8,702,000	2,429,000
1941	7,829,000	2,532,000
1942	7,855,000	2,542,000
1943	7,857,000	2,406,000
1944	7,810,000	2,227,000

In 1944, the smallest farm labor force of record harvested one of the biggest crops this country has ever raised.

**Wages:** With the relative scarcity of farm labor, wage rates had climbed to record high figures for such employment.

	<i>Annual</i>		<i>Jan.</i>	<i>Apr.</i>	<i>July</i>	<i>Oct.</i>	<i>Jan.</i>
	<i>average</i>	<i>1935-39</i>	<i>1944</i>	<i>1944</i>	<i>1944</i>	<i>1944</i>	<i>1945</i>
<i>Per month</i>							
with board	\$26.01	\$63.01	\$68.95	\$77.79	\$76.40	\$74.60	
without board	34.17	76.06	81.15	89.54	86.80	88.90	
<i>Per day</i>							
with board	1.23	2.96	3.07	3.58	3.72	3.54	
without board	1.50	3.50	3.58	4.06	4.08	4.15	

In July, 1944, when farm wage workers averaged \$4.06 per day, without board, factory workers were averaging over one dollar an hour.

Farm wage rates vary from one region to another. They have always been lowest in the South, and highest on the Pacific Coast. Increase during the war has been greatest in the southwest and least in New Eng-

land. But even in New England, farm wages in 1944 rose to more than twice the average in 1935-39.

## WARTIME GOALS AND PRICE SUPPORTS

During the war, goals for total output of most farm products have been pushed up to higher levels than our production had ever before achieved. Support prices, announced in advance of planting crops or planning livestock production, are used by the War Food Administration to encourage "the most desirable pattern of agricultural production." In November, 1944, the WFA announced 1945 production goals and price supports (through loans or outright purchase) for more than 25 farm products.

**Subsidies:** President Roosevelt stated, February 18, 1944, "No major country at war today has been able to stabilize the cost of living without the use of subsidies." (On cost of living, see Ch. VI.) In this country, consumer prices have been held under control in the present war far better than in World War I, and federal subsidies to farmers have played an important part. These subsidies are distinct from the loan and purchase programs through which farm prices are supported.

In addition to soil conservation payments granted since 1936 to farmers complying with certain goals and farm practices, other payments (falling chiefly into four categories) have helped to increase the farmers' returns while stabilizing the consumer price for farm products:

1. Through the Agricultural Adjustment Administration, incentive payments on certain specified essential crops have been granted to any farmer who completely fulfills the acreage goal set for his farm.
2. Since October, 1943, dairy farmers have received "production payments" to offset increased costs of feed.
3. Several products are purchased outright with funds from the Commodity Credit Corp. and resold at lower prices to processor or wholesale distributor.
4. "Roll-back" subsidies, to lower the consumer price, have been paid directly to creameries, meat packers and millers.

**Meat:** Least effective has been the attempt to hold the price line for meat while obtaining a sharp increase in supply to keep pace with greatly expanded military and consumer demand. Large cattle interests and the big packers vigorously resisted Administration plans for ceilings on prices paid for beef and veal on the hoof. Several western Senators who

support the Administration's labor measures and efforts to control industrial monopolies helped to block the plans for ceiling prices on live cattle. Not until January 29, 1945, were such ceilings imposed, and then only for a five-month period.

In spite of subsidies to packers by which the Administration supports price ceilings on the packers' sales, much meat has been withheld from the controlled market and has found its way to consumers willing and able to pay black-market prices.

It is pointed out that, even with enforcement of ceiling prices on live cattle, fair distribution of meat could not be assured without a federally enforced system for allocating supplies to areas and dealers.

### POSTWAR FARM PROSPECTS

Dependable postwar farm prosperity can be achieved only along with full industrial employment and a higher standard of non-farm living for the unskilled and those who have been irregularly employed.

**Prices:** Under existing federal laws, price supports at 92½% of parity for cotton and 90% of parity for other basic crops are to be continued for two calendar years after the close of the year in which it is officially proclaimed that hostilities have ended. Such support shall not be granted if marketing quotas are proposed by the government but rejected by the producers.

These basic crops include not only the six (corn, cotton, wheat, tobacco, rice, and uncrushed peanuts) enumerated in the price control act of October 2, 1942, but 14 other products on which expanded war production has been encouraged by the Administration.

The 79th Congress extended to June 30, 1947, the life of the Commodity Credit Corp and increased its borrowing authority from \$3 billion to \$4.75 billion, an amount smaller by \$250,000,000 than the total requested by President Roosevelt for the CCC in the year 1945-46.

**Income Parity:** Prices are only one part of the farmers' income problem. In its pamphlet, *What Post-War Policies for Agriculture?*, the U. S. Department of Agriculture points out that the current price parity standards, based on price relationships of 1910-14, "are becoming more and more obsolete as guides for dealing with the economic problems of agriculture.... The real goal... should be not a parity of prices but a *parity of income*." The farmers' income depends both on prices and volume. And volume of sales can be assured only as farm

production is planned and adjusted to the needs and the purchasing power of the whole population.

**Southeastern Cotton States:** Cotton farming in the southeastern states poses a special problem. Here the very long staple American-Egyptian cotton, of which there has been a shortage during the war, has not been successfully produced. In general, the demand for all other American cotton has been sharply cut by the development of rayon and other artificial fibers and by increased production of cotton in other countries. In the foreign markets, which have been important for American cotton, this can no longer compete successfully at American prices with cotton from less developed countries having lower standards of living and lower money costs.

Secretary Wickard and others have proposed for the southeastern cotton region a constructive program for shifting from cotton to food and feed crops, oil seeds and livestock. Such products would find ready market in this country if we succeed in maintaining full employment after the war. They could raise to a higher economic level hundreds of thousands of cotton farmers—Negro and white—who have been chronically undernourished and extremely poor.

**Exports:** The surplus property disposal act of 1944 authorized export subsidies to permit competition of American cotton and wheat at world prices in the foreign market. Under agreement with Canada, Argentina and Australia, our wheat exports will be held within 72,000,000 bushels a year. No similar agreement with cotton-producing countries has yet been arranged.

## OTHER GOVERNMENT PROGRAMS

**Crop Insurance:** Federal crop insurance had been abandoned in July, 1943, because Congress withheld the necessary funds. A new federal crop insurance plan, including minimum funds for its operation, was enacted shortly before the 78th Congress expired. Insurance is offered in 1945 on five crops. Small premium payments are required from farmers wishing to come under the plan, and insurance will be available only in counties where a stated number of farmers make written application.

**Flood Control and Power Projects:** Farming in the Tennessee Valley has been greatly aided by the flood control, electric power lines, chemical fertilizers and general soil conservation work developed by

the Tennessee Valley Authority. Farmers displaced by the TVA dams have been assisted in relocating on better land. The Administration has proposed similar projects for the Missouri Valley and other inland watersheds. The St. Lawrence Seaway Project would also be of direct benefit to farmers.

Department of Agriculture, through its interbureau committee on postwar planning, proposes also the extension of rural electrification in many other areas. The committee's five-year program to bring electricity to some 3,655,000 rural homes, independently of new "TVA's," would provide 2,750,000 man-hours of employment. President Roosevelt, in his budget message of January 9, 1945, asked that the borrowing authority of the Rural Electrification Administration (which has been functioning for several years) be raised from \$25,000,000 to \$150,000,000.

**Farm Security Administration:** Nearly a million low-income farmers (unable to obtain credit from other sources) have received rehabilitation loans from the Farm Security Administration, totaling \$810 million since it was created in 1935. In years of bad crops or low prices, FSA borrowers are allowed extension of time on repayments, but up to 1944 farmers had repaid 87% of the principal they had received as loans.

Funds for the FSA were sharply reduced by the 78th Congress. The President's budget message in January, 1945, asked the 79th Congress to double the borrowing authority of the FSA, from \$67,000,000 to \$125,000,000 for rural rehabilitation loans, and from \$15,000,000 to \$50,000,000 for the tenant purchase program.

## FARM ORGANIZATIONS

**American Farm Bureau Federation:** At its 26th annual convention, December, 1944, the Farm Bureau expressed a new attitude toward labor and a broadly international view on world affairs. Resolutions adopted include the following statements:

American agriculture... will use its organized strength to complement business, industry, and labor in the good new fight for full employment and national prosperity.

International trade is basic.... We must not repeat the mistakes made after World War I... extreme nationalism and isolationism... tariffs and trade barriers.

The convention endorsed the Dumbarton Oaks plans, an international trade conference to lower trade barriers, international action on

monetary matters, including specifically the Bretton Woods plans, international commodity agreements for surplus products, industrialization of weaker countries and the proposed Food and Agriculture Organization of the United Nations.

It proposed that "during the immediate period of postwar reconstruction necessary exports for the purposes of rehabilitation be treated primarily as expenditures, provided the purpose is to effect real rehabilitation and to assist nations to help themselves and lay a sound foundation on which to build world trade."

The Farm Bureau wishes to continue and strengthen the present machinery for price stabilization and the control of possible surpluses. And it insists upon a "positive, effective policy" for "regaining our fair share of world markets," and adjustment of ceiling prices "so as to eliminate subsidies in lieu of fair prices."

**National Grange:** At its 78th annual session, November, 1944, the Grange endorsed international organization to insure world peace but made no explicit reference to the Dumbarton Oaks plan. It repeated its stand for a World Court with adequate enforcement powers. It accepted the idea of an International Bank for Reconstruction and Development but rejected the Bretton Woods proposal for an international monetary fund organized as a mechanism distinct from the bank. In opposing the fund, the Grange followed the "Wall Street" line.

It endorsed temporary continuation of price controls, and favored a two-price system for "crops with exportable surpluses." Like the Farm Bureau it opposed "subsidies in lieu of fair prices." It favored extension of social security to include farmers and farm workers. The convention endorsed continuation of a Congressional committee to investigate un-American activities.

**Farmers Educational and Co-operative Union:** At its 39th annual convention, November, 1944, the Farmers Educational and Co-operative Union (commonly known as the National Farmers Union) also took a stand for maintaining "the level of production, prosperity, and practical international co-operation which we have achieved in war. We must have a world organization with power to enforce decisions against those who disturb or break the peace." It urged "all farm people" to support ratification by Congress of the "proposals for building the structure of world peace."

In supporting the removal of barriers to world trade, the National Farmers Union stated that "groups adversely affected must be provided

economic assistance and technical information in order to bring about a sound readjustment within the national economy."

It recommended that the Price Control Act be continued for two years after the war. For farmers it proposed voluntary production agreements between individual farmers and the federal government to assure production needed "for a high and rising standard of living" and "to provide a stable price structure based on fair exchange value." Such agreements "would be administered by democratically elected farmer committees."

In general, it sought extension of government activity through useful public works to "take up the slack" when private and co-operative enterprise fail to provide jobs and markets for all. It endorsed extension of the TVA principles immediately to a Missouri Valley Authority and later to other river valleys of America.

Giving detailed attention to issues at home affecting especially the family type farm, the National Farmers Union called for further development of government-sponsored and government-guaranteed farm credit agencies. It asked for a federal 100% capital gains tax on increases in price of land purchased and resold within a stated period. It supported taxation based on ability to pay. It opposed taxation of income of farmers' co-operatives and also "the preposterous proposed Constitutional Amendment that would limit all income, gift and inheritance taxes to 25% and thereby wipe out two-thirds of present taxes on higher incomes." It demanded that the Extension Service (a federal institution tied in with the land-grant state colleges) shall be completely separated from any private organization. (This was, of course, directed at the close relation existing between the Extension Service and the Farm Bureau.)

The National Farmers Union supported the broadening of social legislation to include farmers and farm wage workers under the Social Security Act. It proposed a wide development of public health services in rural areas. It asked protection for farm wage workers in the Fair Labor Standards Act, with a minimum wage rate of 60 cents an hour. And it would include under the National Labor Relations Act all farms employing more than two wage earners for more than 30 days in any one year.

It authorized its officers to study the possibility of a National Agricultural Relations Act under which farmers could use their bona fide organizations and genuine co-operatives more effectively for collective bargaining on prices.

## ORGANIZED LABOR AND THE FARMERS

Leading labor federations in 1943 and 1944 urged closer co-operation between organized labor and the farmers.

At its 1944 convention, the CIO passed a resolution recognizing the "miracle in the production of food" accomplished by the farmers during the war and stating that "The unity which has been established between the farmers and the workers during the war must be maintained and strengthened for the postwar." It stated that:

Full employment...for industrial workers means much to the farmers who seek a market for their products. Full prosperity, fair prices, and maximum production on the farms is equally vital to the welfare of industrial workers....

The CIO therefore supports the continuance of price guarantees to farmers at levels which will encourage full production and assure them a fair return for their product.

All agricultural programs and planning should be designed to eliminate discrimination against rural areas and give farm people equivalent social and economic benefits enjoyed by city dwellers. All farm programs...should be directed toward the protection of the family-owned and operated farm....

The CIO Political Action Committee, in its 1944 program, included a farm plank with points similar to those outlined at the CIO convention.

A representative of the National Farmers Union addressed the AFL convention in November, 1944. Pres. Green, in reply, said that "the AFL recognizes the National Farmers Union as the organization of the farm people. It has committed itself to sound economic policies."

The AFL supported the Administration in its policy of using subsidies to permit higher returns to farmers.

## INTERNATIONAL FOOD ORGANIZATIONS

A Combined Food Board representing the United States, Great Britain, and Canada has functioned during the war as a "mechanism for assuring an efficient and reasonably equitable distribution of vital food resources among the various United Nations."

From March 11, 1941, to September 30, 1944, over \$4.4 billion of agricultural products, chiefly food, had been shipped by the United States to our Allies under lend-lease arrangements with the United Nations.

**UNRRA:** The United Nations Relief and Rehabilitation Administration, organized in 1943, held its first council session in November, 1943. This included representatives of 33 United Nations, ten associated nations and the French Committee of National Liberation. Herbert H. Lehman, who had been director of the U. S. Office of Relief and Rehabilitation, was appointed director general, with a British deputy director general. Congress appropriated \$450 million as our contribution to the work of UNRRA, including the purchase of food, clothing, medical supplies and operating equipment. It also authorized transfer to UNRRA of \$350 million from other appropriations. UNRRA's total budget in 1944 was \$2 billion, and Congress has authorized \$1.35 billion as the United States' contribution.

In areas liberated from the Nazis, relief is administered during the first few months by the military authorities. For this, food and supplies have been provided by the U. S. Foreign Economic Administration. But when the military situation is cleared, UNRRA takes over with funds contributed by all the United Nations. It is emphasized, however, that actual administration of UNRRA relief will be carried out through the government of a liberated country as soon as its inner political situation is stabilized.

**Food and Agriculture Organization of the United Nations:** The United Nations Food Conference at Hot Springs, Va., in June, 1943, proposed a permanent international Food and Agriculture Organization of the United Nations "(1) to raise the levels of nutrition and standards of living among the peoples of the world, (2) to secure improvements in the production and distribution of all food and agricultural products, (3) to better the condition of rural populations, and (4) to contribute by these means toward an expanding world economy." This proposed F.A.O. would have no administrative power, but it could stimulate international action by governments. Up to January, 1945, the F.A.O. had not been formally approved by the United States nor by so many as 20 other nations, the minimum number set in its tentative constitution as necessary for successful functioning.

## VIII. LABOR IN OTHER COUNTRIES

### CANADIAN LABOR DEVELOPMENTS

Latest official government report on trade union membership in Canada, for December 31, 1943, shows a total of 664,533 union members, 85% more than in 1939 and 15% above the total for 1942. Practically all the increase was in the two major union federations, which together made up 75% of the total union membership.

The Trades and Labor Congress of Canada (AFL) led with 249,450 members reported, followed by the Canadian Congress of Labor (CIO) with 245,812 members, the Canadian and Catholic Confederation of Labor (which operates only in Quebec) with 68,567 members and the railroad brotherhoods with 34,590 members, leaving the remainder in unaffiliated local, national or international unions.

**Wage Control and Collective Bargaining:** Government policies of most immediate concern to labor during 1944 were wage control and collective bargaining. An extensive public investigation had been held in the spring of 1943, and the union congresses that year were strongly critical of the government for its treatment of the reports which followed the investigation.

In December the government abandoned the principle of the cost-of-living bonus, and issued an order incorporating the bonuses already being paid into the regular wage rate. The system under which no wage adjustments may be made without the approval of a War Labor Board (regional or national) was retained, and the conditions under which wage increases could be granted were in some respects even more rigidly defined than before.

Although labor fully accepted the principle of controls against inflation, it severely criticized certain sections of this order, and after an extensive public campaign the most objectionable clauses were amended in March, 1944.

A major victory on the collective bargaining issue helped make this compromise on wage policy more acceptable. In the spring of 1943 labor pressure had led two important provinces, Ontario and British Columbia, to adopt legislation providing for compulsory collective bar-

gaining with the organization representing a majority of the employees. And on February 17, 1944, the federal government passed an order-in-council setting up machinery to encourage collective bargaining in Canadian industry. This is the first real Canadian parallel to the National Labor Relations Act in the United States and it has already gone a long way to establish collective bargaining as recognized public policy in Canada.

The Canadian order covers (a) the industries under federal control in peacetime; (b) the war industries in all provinces; and (c) all other industries in the five provinces (all but Quebec, Saskatchewan, Alberta and P.E.I.) which have passed "enabling legislation" applying it to the industries under provincial jurisdiction. This common experience may help establish a common body of principles in the various provinces which will last after the war, even if the prewar division of jurisdiction between federal government and provinces is re-established in the return to peace time conditions.

The machinery for establishing and certifying the majority choice of the employees is quite complete, but there is considerable doubt whether there is any final legal compulsion on the employer to arrive at an agreement with the union which has been certified. Relatively few of the certification orders issued so far have resulted in satisfactory collective agreements being negotiated and signed. The Canadian order has apparently grafted the U. S. National Labor Relations Act provisions for certification and majority bargaining on to the long-established Canadian procedure for investigation and conciliation in industrial disputes.

Despite these defects the order has greatly strengthened Canadian unions, raised their status in the community, quieted the opposition to union recognition, and effectively disposed of a large proportion of the "company unions" which had been appearing in all sections of the country.

By the end of 1944 the chief issue in collective bargaining had been shifted from union recognition to union security, telescoping into six months a development which took several years in the United States. Both major union federations at the end of 1944 were urging an amendment to the labor relations order requiring an employer to provide for a union shop when a substantial majority of the employees want such a clause in the agreement, as well as amendments to make the collective bargaining sections of the order effective.

**Labor and Social Legislation:** A Ministry of Reconstruction has been established, and the previous Department of Pensions and National Health has been divided into a Department of Health and Welfare and a Department of Veterans' Affairs. The new Minister of Reconstruction took the occasion of the Trades and Labor Congress convention to give assurances that labor would have representation in working out the policies of his Department.

Most important piece of social legislation in 1944 was the Family Allowance Act. In its final form it had the full support of organized labor. It provides for a monthly payment of from \$5 to \$8 per month for every child under 16 years of age.

Other important legislation passed in preparation for the postwar period includes the War Service Grants Act, providing service gratuities and re-establishment of credits for members of the armed forces; the greatly extended National Housing Act, which carries on previous plans to encourage small home ownership and takes the first steps in encouraging low-rental housing and slum clearance; and the act establishing an Industrial Development Bank to provide long-term capital loans to small businesses.

**Foreign Policy:** At their 1944 conventions both major union congresses came out strongly for world unity, endorsing recommendations for an immediate 20-year pact between Canada and the Soviet Union and for a world labor congress. The Trades and Labor Congress for the first time established direct relations with the Confederation of Latin American Workers. Both Canadian organizations were represented at the world trade union conference in London in February, 1945.

**Postwar Program of Labor:** Trades and Labor Congress at its 1944 convention took the position that full employment and economic security can be achieved, but only through "the common effort and full co-operation of all classes and interests in the nation." It urged that present wartime production be kept up and increased, turning out civilian goods to meet the basic desires of the people as well as goods for extended foreign markets. It recommended "long term loans for the purpose of assisting those unfortunate nations which have suffered the devastating effects of the war, so that we can supply their needs"; a national minimum wage of \$1,500 a year; non-contributory health insurance; two-weeks paid vacation for all workers; a maximum 40-hour week with no reduction of earnings; lay-off pay; adequate provision for re-

turning veterans; and continued use of the plant facilities built with government funds during wartime.

To carry out this policy it provided for setting up a national Political Action Committee of the T. L. C. "to serve as an instrument for rallying the widest public support to the postwar program and aims of this Congress, and to aim for the achievement of co-operation for the realization of our program of full employment, a higher standard of living, and social security for all Canadians." On both the program and the machinery for carrying it out there was complete unanimity among the delegates.

The 1944 convention of the Canadian Congress of Labor dealt with postwar issues in two ways, through a resolution on reconstruction and through endorsement of a 29-point program worked out by the C.C.L. Political Action Committee earlier in the year. Although the suggested policies were generally similar to those adopted by the Trades and Labor Congress (and in some respects more fully worked out) there was no reference to the importance of export trade.

An even greater difference, however, appeared in the proposals for carrying out the program. In spite of the protests of a strong minority, the C.C.L. finally refused to change the arrangement made at its previous convention under which it endorsed the policy of Canada's "third party" (the Cooperative Commonwealth Federation), urged all its locals to affiliate with that party, and set up a Political Action Committee under C.C.F. leadership.

Since the Canadian Congress of Labor convention its Political Action Committee, which has been somewhat broadened by including representatives of some important unions that had refused to tie themselves to one party, has announced that it will ask representatives of all parties to support its program and will encourage Political Action Committees in each local area.

**Specific Union Plans:** Several unions have developed postwar plans for their own industries. Outstanding among these are the programs of the Electrical Workers, Automobile Workers and the aircraft workers affiliated with the Machinists.

The Electrical Workers' 18-point program emphasizes the need for equal representation of labor, industry and agriculture at each level of government action "in the interests of an expanding civilian economy which will guarantee to all who wish to work, jobs, opportunities for advancement, minimum wages at levels commensurate with health and

decency, a rising living standard, shorter work hours, and the expansion of cultural activities and opportunities for leisure time."

The Auto Workers have developed a somewhat similar plan, setting a goal for postwar production of about twice the prewar level, and looking to a large-scale development of both domestic and foreign markets. This plan recommends also the early calling of a conversion conference for the industry, development of civilian production parallel to the reduction in war output, establishment of a Reconstruction Joint Council for the industry, maintenance of labor standards during the reconversion period, and establishment of reserve funds for lay-off pay to workers temporarily unemployed.

First concern in the postwar programs of the Machinist aircraft lodges, both in Montreal and in Vancouver, has been the future of the aircraft industry in Canada. They propose a national conference of union, management and government representatives to discuss maintenance of a permanent independent aircraft industry, the widest development of air transportation and the reconversion of plants not fully engaged on aircraft work to other types of production.

## CONFEDERATION OF LATIN AMERICAN WORKERS

The Confederation of Latin American Workers (CTAL), founded in Mexico City in 1938, has gained the recognition and support of trade union bodies throughout the world. With a reported membership of over 4,000,000, the CTAL has affiliates in 16 Latin American countries and Puerto Rico: Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, Ecuador, Mexico, Nicaragua, Panama, Paraguay, Peru, Salvador, Santo Domingo, Uruguay and Venezuela.

Fraternal representatives from the British Trades Union Congress, the Congress of Industrial Organizations, the Trades and Labor Congress of Canada (AFL), the Canadian Congress of Labor (CIO and national unions) attended the second general congress of the CTAL, held in Cali, Colombia, December 10-15, 1944. Messages of greeting were sent to the congress by the All-Union Central Council of Trade Unions of the Soviet Union and by the General Confederation of Labor of France. The International Labor Office sent two observers.

While the CIO has been co-operating closely with the CTAL since the latter's formation, the British labor delegate was the first representative of his organization at a CTAL congress. The Canadian AFL

delegate similarly established the first tie between the two labor organizations. The only labor organization in the Western Hemisphere not represented at the CTAL congress was the American Federation of Labor, which at its New Orleans convention in 1944 voted to explore the possibilities of establishing a rival organization.

**Fighting Fascism in Latin America:** The CTAL has devoted much of its attention and activity to the increasing menace of Argentine-based fascism to the democratic and labor movements of the New World. "The Argentine regime is an enemy of democracy and is aiding fascist organizations throughout Latin America in an attempt to establish similar regimes," the CTAL's president, Vicente Lombardo Toledano, has stated.

The Argentine government, since the Colonels' Lodge (GOU) took power on June 4, 1943, has driven the labor movement underground and has sought to establish in its stead a government-controlled trade union organization. "Argentine fascism has not only persisted in its policy not to allow labor organizational freedom, but it has intensified its efforts to wrest from labor all of its rights," Lombardo Toledano declared on another occasion. "The operations of Argentine fascism mark it as an ally of international reaction which is attempting to save fascism from defeat."

The CTAL must take positive action to make more efficient the present measures of American governments against the Argentine fascists, since their survival may cause grave difficulties for the entire hemisphere in the near future, perhaps before the war's end. The CTAL must find concrete means of aiding our Argentine brothers. (*Allied Labor News*, Oct. 3, 1944.)

At its 1944 congress the CTAL unanimously voted to organize a continental protest, on January 25, 1945, against the foreign and domestic policies of the Argentine regime. It called for the freedom of Argentine political prisoners and a cessation of the tortures to which they are subjected.

The CTAL had carried its fight against Argentine fascism to the conference rooms of the International Labor Office, which met in Philadelphia, April, 1944. Labor delegates from 13 Latin American countries, united under Lombardo Toledano's leadership, successfully prevented the seating of the Argentine labor delegate, named by the GOU over the strong objections of the legitimate trade unions of that

country. The labor delegates who voted to seat the Argentine were those of the AFL, and of the British and Australian unions.

Following the outbreak of a revolution in Bolivia in December, 1943, the CTAL labeled the new Bolivian regime a "neo-reactionary victory" and pointed out that "their aim is undemocratic and sets into motion groups all over America who plan the overthrow of democratic principles during the final phase of the war—when the full attention of all governments is turned toward the Japanese and Nazis." The CTAL sent a special emissary to investigate the new Bolivian regime and the treatment it accorded labor.

**International Solidarity:** Long desirous of establishing closer ties with labor movements in other parts of the world (see *Labor Fact Book 6*), the CTAL enthusiastically accepted the invitation of the British Trades Union Congress to send delegates to the world trade union conference in London in February, 1945.

The close co-operation existing between the CTAL and CIO (see *Labor Fact Book 6*) has now been extended in the Western Hemisphere to the Canadian labor movement. In October, 1944, the Trades and Labor Congress of Canada (AFL) invited CTAL president Lombardo Toledano to attend its congress in order to "strengthen relations between the CTAL and Canadian labor."

As recognition for the outstanding part the CTAL is playing in the labor movement of the Western Hemisphere, its president was named at the Philadelphia conference of the International Labor Office to the governing body of that organization. Its closer ties with labor in Great Britain, the Soviet Union and other United Nations indicate that the CTAL has now come to the fore as one of the most important trade union bodies in the world.

**Labor Unity:** Continuing its efforts to promote internal unity in the labor movements of Latin American countries (see *Labor Fact Book 6*), the CTAL greatly aided the formation of a single trade union body in Peru, amalgamating the outstanding unions in that country. Similarly in Ecuador, where labor played a leading part in that country's democratic revolution of May, 1944, the trade unions have merged into a Confederation of Ecuador Workers. Its general secretary was named a member of the provisional revolutionary government.

In Cuba, following the election of President Grau San Martin, the Confederation of Cuban Workers and the Labor Commission of President Grau's Cuban Revolutionary party, long in opposition, joined

forces at the December, 1944, Labor Congress. All these national trade union organizations retained their CTAL affiliation.

**Development of Latin America:** The 1944 congress of the CTAL urged the establishment of democratic regimes in Latin America, "respect for the economic and political autonomy of each nation" and "in solidarity with the peoples of the world to proscribe armed aggression as a means of resolving international conquests," condemning wars of conquest as "contrary to the interests of civilization."

The congress urged the industrialization of the countries of Latin America with the help of Great Britain and the United States, but insisted that such action should not be coupled with imperialist exploitation of the nations and their peoples. The principal task of labor in Latin America, the congress stated, is "to raise the economic, social and moral conditions in which the great mass of our peoples find themselves." The congress voted to help the organization of peasant unions throughout Latin America.

### WORLD TRADE UNION CONFERENCE

A decision to form a new world trade union organization was the main action taken by the World Trade Union Conference, which met in London February 6-17, 1945. The conference was attended by 230 delegates representing more than 60 million organized workers in 35 Allied countries, seven neutral countries and ten international organizations. The largest of the trade union centers represented were the Congress of Industrial Organizations of the U. S. A. with six million members, the British Trades Union Congress with seven million, the All-Union Central Council of Trade Unions of the USSR representing 27 million workers and the General Confederation of Labor (CGT) of France with more than four million members.

The unanimously adopted report recorded the "earnest desire and firm resolve" of the conference delegates "to work together for the creation of a powerful democratic trade union federation at the earliest practicable date." It pointed out that "it is the unanimous view of the conference that an all-inclusive world trade union federation is a necessity, but the autonomy of all organizations to accept or reject the constitution of the proposed body is a clear and accepted fact."

For this purpose the conference set up a continuations committee of 45, consisting of three each from the U. S. A., United Kingdom, USSR

and France; one each from Canada, Australia, India, China, Belgium, the Netherlands, Norway, Sweden, Yugoslavia, Czechoslovakia, Spain, Iceland, Ireland, Bulgaria, Italy, Romania, Finland, New Zealand, South Africa, Denmark, Luxembourg and the Confederation of Latin American Workers; three from the rest of the British Commonwealth; three from the Latin American countries; two each from the International Federation of Trade Unions and the International Trade Union Secretariat and one from the International Confederation of Christian Trade Unions.

The continuations committee, which was empowered to act as an interim authority, selected Paris as its headquarters and decided to reconvene the world conference in that city in September, 1945. It was instructed to prepare a draft constitution for the new world trade union federation and to circulate this draft for approval and amendments. It was also charged with making collective representations to national governments when it is deemed necessary and with acting as an agent for the conference to insure trade union participation at postwar planning conferences, especially the San Francisco conference of the United Nations, April 25, 1945.

An administrative committee of 13 members was selected to meet early in April, 1945, in Washington, D. C., to draw up labor's peace and postwar demands for presentation to the United Nations meeting.

**Conference Declarations:** The conference hailed the decisions of the Crimea Conference held at Yalta, February 4-11, 1945. In a message to the principals in the Yalta Conference, the delegates welcomed the decisions of President Roosevelt, Prime Minister Churchill and Premier Stalin and their staffs to wipe out "every vestige of the hateful fascist regime."

In a declaration on labor's attitude toward the peace settlement, the conference urged that measures be taken to bring to justice all war criminals, to liquidate the whole Nazi system, to place under the control of the United Nations "not only German heavy industry but the German transport system, banking system and land and property owned by German trusts and cartels and by financial magnates and Junkers." It urged that employment of German labor, "if used in reparation work must be placed under international supervision with trade union participation."

The conference also asked for labor representation in the security council and the economic and social council to be established under the

Dumbarton Oaks world security plan at the meeting in San Francisco.

Also adopted was a report which among other things demanded that the Allies take steps to prevent Spain, Argentina and other fascist nations from aiding the enemy. It stated that it should be the duty of the United Nations to deny recognition to states whose political and economic systems are opposed to the principles of the Atlantic Charter and the decisions made at the Moscow and Teheran conferences.

This declaration on the peace settlement stated also that "it is likewise necessary to bring to an end the system of colonies, dependencies and subject countries as spheres of economic exploitation and to facilitate immediately the development of free trade unions in these countries."

The conference went on record as favoring the establishment in every country of wage levels consistent with adequate living standards, equal pay for equal work without discrimination because of nationality, race or sex. It declared that "governments must accept unreservedly full responsibility for insuring in their countries suitable jobs at adequate pay rates for all able-bodied men and women requiring them."

**Some AFL Support:** Although the executive council of the American Federation of Labor refused to have anything to do with the conference and called it a "dual movement," greetings from 175 officials of AFL unions were presented by Pres. Courtney Dillon Ward of the Ohio Council of Painters, who attended as an observer. The message stated that "we are convinced that it is the duty of the entire American labor movement to be represented. We regret that the AFL decided for non-participation. We hope that this will be changed in the near future." Leaders of the conference declared that whenever the AFL decides to join the new world organization it will be welcomed and a place made for it on the governing committee.

**Constitution:** A draft constitution for the new World Federation of Trade Unions was made public by the administrative committee May 5, 1945, after its meeting in Oakland, California. It provides for a congress every two years and an annual meeting of a general council representing all affiliates.

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